

THE JERUSALEM POST

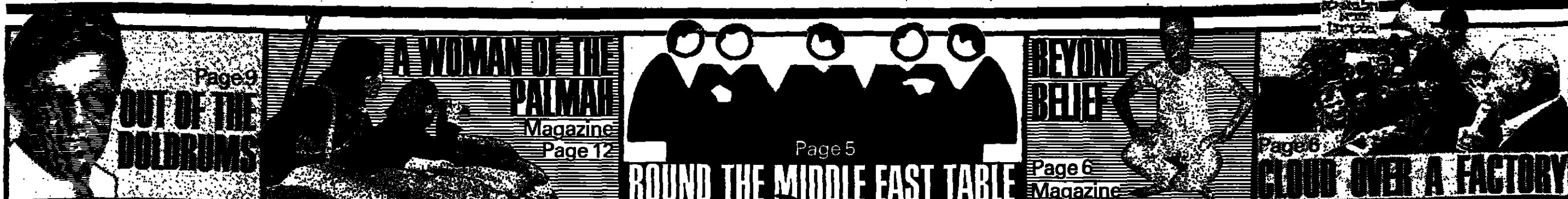
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Muddy waters around the moves for new elections

The fate of peace talks may hang on the election day whims of no more than 200,000 Israelis who compromise the proverbial "floating vote."

Seasoned political observers believe that Labour can only gain from new elections. The typical "floating voter," they say, is a young, educated Sephardi man or woman who has voted for the Likud in the past but may be persuaded to reconsider.

If present forecasts about the

issues of the upcoming elections are borne out, these voters will be the deciding factor in the hitherto-avoided standoff: peace vs. the Greater Land of Israel.

Foreign Minister Shimon Peres's proposal for an international conference, which he has pledged to place before the cabinet table in the very

near future, has been declared a *casus belli* by both parties, which would justify dismantling the national unity government and holding early elections.

Notwithstanding public bravado, Likud strategists are worried at the prospect of an election campaign focused on Peres's sanguine asser-

ANALYSIS MENACHEM SHALEV

tions of universal agreement on direct negotiations under the benevolent gaze of the superpowers.

Mindful of the electorate's quick change of sentiment over Sinai after Sadat's 1977 visit, the Likud is even more concerned about the effect of a frequently forecast "dramatic gesture" by Jordan's King Hussein.

A source close to Peres mused this week that if the Likud were smart—a trait not usually ascribed to political

rivals—it would go along with Peres's proposal and then run it aground.

The Likud might thus decide after all that bogged down negotiations—bearing out their prophecy that the superpowers would never agree to impotent observer status—are a better starting point for elections

than still-untested proclamations by Peres.

In that case, the nearly unanimous forecast of elections in the fall of this year will be proven premature. Enter the Pollard complication. If, as reported, the two committees probing the affair have been presented with "horrendous" accounts of the political echelon's handling of the affair, then this week's diatribes

(Continued on Page 2, Col. 6)

'Post' poll Likud drops, Labour gains

By HANOCH and RAFI SMITH

The national unity government has lost public support since the rotation last October; Labour leaders Shimon Peres and Yitzhak Rabin are the country's most popular politicians; and Labour popularity has increased by 3 per cent in the past five months from 38 per cent to 41 per cent, according to a poll taken by the Smith Research Centre in the first nine days of this month.

The poll, commissioned by *The Jerusalem Post* covered 1,200 Jewish voters throughout the country. It showed that only 24 per cent currently supported the Likud, compared with 27 per cent in December/January.

The other parties showed little or no change.

Tehiya and the Citizens Rights Movement continue to draw support from the major parties: Tehiya has 8 per cent of the vote, the CRM has 6 per cent, both figures far exceeding their performance in the 1984 Knesset elections.

Support for Meir Kahane's Kach Party remains stable at 2 per cent. Shinui has returned to its earlier strength of 2.5 per cent of the vote and Mapam continues to have difficulty holding on to more than 1 per cent of the vote.

The number of voters who say they are undecided continues to remain quite low.

The shift in the large parties, with Labour increasing its support by 3

(Continued on Page 2, Col. 2)

Hizbullah links Unifil to Zionists

By DAVID RUDGE
Jerusalem Post Reporter

ROSH HANIKRA—Leaders of the fanatical Hizbullah group have accused Unifil troops of aiding Israel and threatened retaliatory attacks against the peacekeepers, sources in South Lebanon told *The Jerusalem Post* yesterday.

The Hizbullah chiefs charged the UN troops with being "Zionist spies" and issued religious decrees authorizing fundamentalist fighters to hit Unifil targets.

The threats are being taken seriously by the Unifil command and the Amal Shi'ite organization which has supported the presence of the force in South Lebanon.

A council of regional Amal chiefs issued a joint statement rejecting the accusations of the rival Hizbullah movement.

The Amal hierarchy in the south declared that Unifil was a "red line" and warned against taking up arms against the international force.

Former South Lebanese Amal leader Daoud Daoud, who is still a member of the regional council, took the matter a step further, saying Amal militiamen would help defend the Unifil troops and positions.

"Anyone who acts against Unifil would be serving Israeli interests and would be guilty of going against the will of the people in the south,"

(Continued on Back Page)

Clinics on strike

By JUDY SIEGEL

Post Science and Health Reporter

All Kupat Holim Clalit clinics are to be closed today, as 24,000 workers of the Histadrut Health Fund hold a one-day strike to protest against "poor management."

Clinics are also closed tomorrow for May Day.

Other disruptions in health services have also been threatened. A strike of Magen David Adom ambu-

lance services is to begin tomorrow if workers do not receive their salaries then. And geriatric hospital owners are threatening to evict the chronically ill unless they are permitted to raise their rates by 25 per cent.

The Kupat Holim strike, says works committee head Haim Baranes, is meant to warn against "the dangers" of management policies, including manpower cuts.

(Continued on Back Page)

Yuli Edelshtein to be freed

Prisoner of Zion Yuli Edelshtein, is likely to be released from jail in Novosibirsk on May 5, the Soviet Jewry Education and Information Centre in Jerusalem announced last night.

The centre said it had received a report that a Moscow court had reduced Edelshtein's sentence.

Last week the Soviet chief prosecutor's office filed an appeal with

the court, saying that Edelshtein's was unjustified and should be cut.

The court decided yesterday to reduce the sentence by four months, the centre said.

Edelshtein was sentenced in 1984 to three years in prison for purportedly possessing drugs. The centre said there are still three Prisoners of Zion in Soviet jails. (Itim)

Flap over leak

Peres seeks Likud ally to push for talks

By BENNY MORRIS
Post Diplomatic Correspondent

Foreign Minister Peres will today try "one last time" to persuade one or more Likud ministers to back his formula for the convening of an international peace conference on the Middle East before presenting his conference plan to the inner cabinet for a vote, probably in a fortnight's time.

Tiba dispute to arbitration—eventually crumble."

The decision to "give the Likud one more chance" was taken at a meeting yesterday of the five Labour members of the inner cabinet (Peres, Defence Minister Rabin, Police Minister Haim Bar-Lev, Education Minister Yitzhak Navon and Minister-without-Portfolio Ezer Weizman). Labour secretary-general Uzi Baram and Abba Eban, the chairman of the Knesset Foreign

The working paper setting out the terms of reference and procedure of convocation of an international peace conference includes the following points:

- The UN secretary-general will summon the five permanent members of the Security Council, and the parties in the Middle East, to a conference, whose aim will be to achieve a comprehensive peace based on Security Council Resolutions 242 and 338 and will also provide for the legitimate rights of the Palestinian people.
- The conference would serve as an opening and introduction to the meeting of bilateral committees composed of Israel and each of its Arab neighbours.
- These bilateral committees would attempt to resolve the outstanding differences between Israel and each of its neighbours as part of the effort to reach a comprehensive settlement.

Peres yesterday asserted, in a question-and-answer session with inhabitants of Netivot, that he does not believe "that there is no one in the Likud willing to support an international conference." In the past, the Likud supported such a conference.

A Peres aide said that "past experience shows that solid Likud fronts—which also initially existed against the IDF withdrawal from Lebanon and over submitting the

Affairs and Defence Committee.

Peres briefed Labour's senior policy-makers on the American-sponsored working paper (drafted in the main by roving U.S. ambassador Wat Cluverius) and the gathering gave Peres "its full support," according to a Peres aide. The aide said that Peres did not distribute copies of the working paper to his colleagues.

Some of the participants—including Weizman—pressed Peres to

(Continued on Page 2, Col. 2)

Likud stands united against int'l parley

Compiled from reports by Benny Morris, Asher Wallfish and Menachem Shalev

The Likud is standing fast—and seemingly united—in its opposition to an international peace conference and dismisses Labour intimations of a latent "defector" in their cabinet ranks.

Minister Moshe Arens said in an interview with *The Jerusalem Post* yesterday that even the U.S. administration now realizes that not a single Likud cabinet minister will support Vice Premier Shimon Peres's proposal for the peace conference.

And Minister Gideon Patt told *The Post* that there is "unanimity" among Likud ministers. "I can't remember such unanimity in the party in the past," Patt said, adding that he spoke "with certainty" on the basis of internal deliberations among Likud ministers.

A Peres proposal to the full cabinet is currently expected to be defeated by a 13-11 vote: 10 Labour ministers plus Shinui's Amnon Rubinstein losing to 10 Likud ministers joined by the National Religious Party's Yosef Shapira and Zevulun

Hammer plus Ometz's Yigael Hurwitz.

The NRP will convene today to discuss MK Haim Druckman's proposal that the party leave the coalition before the matter of the international conference is put to a vote. Druckman maintains that a matter as "crucial" as the international conference cannot be decided by a "slim majority."

France favours Mideast peace conference (page 2)

Peres is expected to refer his proposal to the inner cabinet, where observers believe it will be defeated by virtue of a 5-5 tie.

Peres's suggestion last week that a Likud "defector" might surface is dismissed by Likud sources, who say that the "David Levy of Lebanon" vote won't be repeated on an issue so critical to Herut as the future of Judea and Samaria. Levy and Patt joined with Labour ministers in 1985 in voting in favour of a pullout from Lebanon.

Minister Ariel Sharon told Israel

(Continued on Page 2, Col. 6)

Demjanjuk judges going to Germany

Three judges before whom accused war criminal John Demjanjuk is being tried will go to Germany and Belgium from May 17 to June 12 to hear testimony from four witnesses, court president Dov Levin announced yesterday.

(Story on Page Two)

Syria bars PLO men

Syria yesterday reportedly told two radical PLO leaders not to return to Damascus following their recent unity pact with PLO Chief Yasser Arafat. Syria did not confirm or deny the report.

(Story on Page Three)

Reagan says ex-aides can't tie him to Irangate

Jerusalem Post Staff
and agencies

The Irangate affair appeared to be heating up again this week, as President Reagan said that neither John Poindexter nor Oliver North can implicate him in Contra funding; and the independent counsel investigating the affair charged a political fund-raiser with conspiracy to defraud the Treasury.

In another development, three congressional investigators who were allowed on Monday to read Israel's report on financial transactions in the sale of U.S. arms to Iran said yesterday that "Israel provided what we asked for."

The Israeli report is based on the records and testimony of four Israelis: weapons dealer Ya'acov Nimrodi, his business associate Al Schwimmer, former Foreign Ministry director-general David Kimche, and Amiram Nir, the

prime minister's counter-terrorism adviser.

The investigators had sent Israel a letter asking for a chronology of events in the clandestine arms shipments, as well as other requests.

The investigators reportedly were still negotiating with the Israeli embassy over "the terms of use of the documents."

Israeli citizens involved in the secret sales of U.S. arms to Iran were working for the Israel government which should protect them from congressional investigations, ambassador Meir Rosenne said on Tuesday.

"You could not have a situation whereby individuals that act for a government would appear before a committee of another state," he told an audience at the conservative Heritage foundation, an independent research organization.

Rosenne was responding to published reports that Israel was seeking immunity for its citizens


from any criminal prosecution and control over public disclosure of its data on the arms sales and diversion of profits to Nicaraguan rebels.

President Reagan, in an interview on Tuesday, called Poindexter "an honourable man" and said the former national security adviser might have withheld information from him because "maybe he thought he was being, in some way, protective of me."

Asked if North, whom he once described as a national hero, or Poindexter might claim they were acting with his authority, Reagan said: "I wouldn't see how, no, no."

Poindexter, a Navy rear admiral, and North, a Marine lieutenant colonel, have refused to testify on the Iran-Contra affair on grounds that their statements might be used against them in court.

(Continued on Page 3)



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RENA MALKA ZIMAND ז"ל
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will take place on Friday, May 8, 1987 (9 Iyar 5747) at 10:30 a.m.
at the Kvarot Kedushim cemetery, above the Jericho road, Mount of Olives.

A bus will be available for those attending:

From Tel Aviv, Northern Railway Station, Rehov Arlosoroff, at 9:00 a.m.
From Ra'anana, 132 Rehov Ahuza, at 9:00 a.m.
From Ben-Gurion Airport, opposite the Rematam offices, at 9:30 p.m.

David Zimand and Family

METRO

To those of our readers in the Greater Tel Aviv area who did not receive their copy of METRO with today's Jerusalem Post, METRO will be distributed with Sunday's edition of the paper.

**To
our readers**

The Jerusalem Post
will not be published
tomorrow or on
Monday, May 4, when
the country celebrates
Independence Day.

On Sunday, May 3 The
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supplement for
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GENEVA	10	12	18	Clear
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Johannesburg	10	12	18	Clear
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PARIS	10	12	18	Clear
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THE WEATHER

Forecast: Fall in temperatures, partly cloudy.

	Yesterday's	Yesterday's	Today's
	High/Low	High/Low	High/Low
Jerusalem	20/12	18/22	19
Golan	38	23	19
Nahariya	29	15-20	17
Safed	32	14-22	21
Haifa Port	32	14-22	21
Tiberias	31	13-29	26
Nazareth	38	17-22	19
Ahlat	52	10-25	22
Shomron	33	17-24	21
Tel Aviv	22	19-24	21
B-G Airport	49	18-23	21
Jericho	23	13-33	30
Gaza	67	19-21	20
Beersheva	27	20-28	22
Eilat	11	17-31	30

SOCIAL & PERSONAL

Kol Yisrael has been awarded the Agon Prize for Journalism for 50 years of broadcasting from Jerusalem. The award was presented by Jerusalem mayor Teddy Kollek at the Jerusalem Municipality building last night.

A day-care centre named after Roger and Françoise Varenne of Geneva was opened yesterday in Holon in the presence of Françoise Varenne and the family, Manuela Simonin, wife of the Swiss ambassador to Israel; Holon Mayor Pinhas Ayalon, Ruth Fayon, representing the Swiss Wizo Federation; World Wizo president Raya Jaglom; World Wizo Executive chairman Michal Modai; World Wizo child care chairman Adina Matalon; and members of the World Wizo Executive.

Sharon confirms bid to block Mitzna

Post Defence Reporter

TEL AVIV. - Industry and Trade Minister Ariel Sharon last night confirmed that he had tried to block Aluf Amram Mitzna's appointment as O/C Central Command. Mitzna, assistant to the chief of the general staff branch, is to assume his new post in a few days.

Mitzna incurred Sharon's wrath during the Lebanon War when he was the deputy commander of the forces in the eastern sector facing the Syrians.

After the intensive fighting was over, Mitzna defended that Sharon, then defence minister, quit his post. Later Mitzna asked then prime minister Menachem Begin to dismiss Sharon. When that failed, he asked to go on leave but relented when then chief of general staff Raphael Eitan told him to get back to work or resign.

There were conflicting reports as to how Sharon attempted to block Mitzna's appointment. According to one very well placed source, Sharon had raised the matter with the new chief of general staff, Aluf Dan Shomron. Sharon said on TV's *Moked* programme last night that he had discussed the matter with Defence Minister Rabin.

Sharon argued that there were many excellent generals in the army, and though he did not spell it out, it was clear he meant that the IDF could do without Mitzna.

"I turned to the defence minister and expressed my opinion about the appointment of an officer who came out against the political echelon at the time of war," Sharon said last night. "Such a move causes great harm to Israel's democracy and security," he added.

HOME AND FOREIGN NEWS

Entire Demjanjuk bench to Germany

By ERNIE MEYER
Jerusalem Post Reporter

The judges in the Demjanjuk case are to hear testimony from former SS men Otto Horn, Heinrich Schaefer and Heimit Leonhard in Germany, court president Dov Levin announced yesterday.

The judges will be abroad from May 17 to June 12, and will also hear testimony in Belgium from witness Vidas Amanavicius, Levin said.

Reading from a prepared statement at the end of yesterday's session of the war crimes trial, Levin said it had emerged during discussions in chambers that both the prosecution and the defence wanted the judges at these hearings.

"We decided that this was a reasonable request," Levin said, "and we will be ready to take part in these hearings, where witnesses will answer questions regarding the identity of the accused." The arrangement is conditional on the approval of the Courts Administration.

Pollard panel report appears splitting along party lines

By ASHER WALLFISH
Post Knesset Correspondent

The possibility of the Knesset body studying the Pollard affair splitting its report along party lines became more concrete this week. Knesset Speaker Shlomo Hillel yesterday told the subcommittee that press reports concerning its work had not enhanced its prestige or that of the Knesset as a whole.

Hillel's statement followed acid attacks on the Knesset Subcommittee for Intelligence and Security Services by Vice Premier Peres, echoed in a more dignified vein by Defence Minister Rabin.

One of the subcommittee members, Yosef Burg (National Religious Party) told *The Jerusalem Post* last night: "The partial leaks from the subcommittee are much fewer than the leaks from the cabinet."

Burg confirmed that he was going abroad for a month on a speaking tour, beginning next week. He said he would be in phone contact with Abba Eban, chairman of the subcommittee and of the full Foreign Affairs and Defence Committee. "Should the need arise for me to cut my trip short, I shall see if that will be possible," Burg said.

Burg's departure leaves three Alignment men in the intelligence subcommittee and three Likud men. "In any case we are trying to reach unanimous conclusions," Burg said. According to one newspaper, unidentified sources in the subcommittee, whose reliability cannot be

checked, alleged that Burg was going abroad to dodge responsibility.

As the evidence appears to throw relatively greater ministerial responsibility for the Pollard affair on the two Alignment leaders, Peres and Rabin, the Alignment men in the subcommittee are apparently seeking to spread the blame between the leaders of the pre-Likud 1984 government and the present national unity coalition.

The Likud men on the subcommittee appear to want to direct the spotlight mostly on Peres and Rabin, feeling that their leaders are relatively in the clear.

The Likud men, seeing that Prime Minister Shamir and Minister-without-Portfolio Moshe Arens do not emerge in such a poor light from the committee study, are said to be pondering the option of demanding a judicial commission of inquiry which they believe would harm the Alignment seriously, in the event of Peres bringing about early elections over the international conference controversy.

While members from the two big parties are said to have planned each other for some of the leaks attributed to the subcommittee, these accusations were mostly traded outside the subcommittee meetings.

Findings of a judicial commission of inquiry are no more binding on the government than are findings of the Knesset Subcommittee for Intelligence and Security Services.

POLL

(Continued from Page One)

percent and the Likud dropping by that amount, returns the overall political situation to what it was before the rotation.

Party or Group	Knesset	Sept. 1986	Dec/Jan 1987	April 1987
Labour	39%	42%	38%	41%
Likud	36	28	27	24
Religious parties	10.5	10	10	10
Tehiya	4	6	8	8
CRM	2.5	4.5	6	6
Shinui	2.5	2	2	2.5
Kach-Kahane	1.4	2	2	2
Ometz-Rafi	1.4	1.4	1.4	1.4
Mapam	3	1	1	1
Other	3	1	2	1.4
Undecided	-	3	4	3.5

PERES

(Continued from Page One)

immediately submit the working paper to the inner cabinet for a vote. Others, including Peres, preferred to give the Likud "more time." Most of the participants saw "little point" in waiting more than a week or two.

The Labour policy-makers decided to submit the international conference plan - which will be the American working paper - but will also take account of the results of the impending Mubarak-Hussein summit - to the inner cabinet rather than the full cabinet, where a Likud majority assures a Likud victory, unless there are last-minute defections.

If the inner cabinet vote results in a Labour defeat (a 5-5 tie means that the proposal fails), then Peres will propose to the Likud that elections be held to allow the voters to decide.

Likud sources yesterday tried to leak to the media selected paraphrased extracts from the working paper and what Likud considers its weak points, without leaking the full document or actual quotations from it.

Labour sources condemned this "selective leak" of a major state paper, which carries a top secret classification. The Labour sources

said that the document, far from being an Israeli formulation, was accepted by President Reagan and Secretary of State George Shultz.

Industry Minister Ariel Sharon said on Israel TV's *Moked* programme last night that the document represented an illusion.

Sharon said the document gave the PLO an opening to participate in negotiations.

Peres said in Netivot that he had hidden nothing from the Likud and that all the ministers know everything about the diplomatic state of play and Jordan's stand regarding the international conference.

Peres said that the plan was that the plenary conference would meet only once and would then summon the sides to meet in regional, bilateral committees. He added that Jordan opposes a separate Palestinian delegation and opposes PLO participation.

Gush extends 'hand for peace' to Jericho

By JOEL GREENBERG
Jerusalem Post Reporter

Gush Emunim members yesterday distributed leaflets in Jericho asking the town's residents to greet them "in peace" during the movement's Independence Day march next week in the city and its vicinity.

The Hebrew and Arabic leaflets called on Jericho residents to greet the marchers with the Arabic welcome, "Salaam Aleikum," and to accept Jewish settlement in the area as a boon to the standard of living in the West Bank. They warned of a mass eviction of Arabs should Israel have to reconquer the West Bank after a withdrawal.

The leaflet included the following passages: "The murderous terrorist organization called

the PLO depicts us as a threat to you, as if we have evil thoughts to displace you. There is no greater lie.

"Go out and see how settlement and Jewish neighbours have brought you livelihood, homes, television sets, cars and a standard of living you and your forefathers never dreamed of."

"Every Palestinian Arab has received a gift from us - a longer life expectancy than any Arab in the Middle East...your infant mortality has ceased because of the Zionist blessing. When we settle in Jericho, you will also enjoy blessings and prosperity."

"Jews living in your city is the safest assurance that you and your children will continue living in this country."

"Think for yourselves. If the advice of the evil conspirators - your PLO and our Peace Now - is carried out, and Israel withdraws from the West Bank, you know that in a few years your children will take over and inflict another war on this country."

"An Israeli army which will have to conquer Nablus, Hebron and Jericho again and shut down their again - will it leave a single Arab in the West Bank?"

"Therefore it is in your interest to prevent an Israeli withdrawal, to prevent the next war. Under our rule your future is assured."

"We are extending a hand for peace and good neighbourliness, please don't reject it. A good neighbour is better than a distant brother."



Housing Minister David Levy presents an album on the Jewish Quarter to President Herzog yesterday at a ceremony marking completion of reconstruction work in the quarter. (Zoom 77)

Restoration completed of Jewish Quarter

By JUDY SIEGEL
Jerusalem Post Reporter

The reconstruction of the Jewish Quarter in Jerusalem's Old City has officially been completed, at a cost of tens of millions of dollars, and has created homes for 3,500 residents and a tourist attraction that preserves the old while celebrating the new.

A ceremony marking the end of the 15-year planning and construction project, one of the first events celebrating the 20th anniversary of the reunification of the city, was held in the ancient and rebuilt Cardo in the Jewish Quarter yesterday.

President Herzog, who was the first military governor of reunited Jerusalem after the Six Day War, told the audience of 250 that the quarter had been reduced to a heap of rubble after the Jordanians captured it in 1948. The Arabs tried to erase all signs of Jewish civilization, but after 1967 Israel succeeded in restoring the quarter's ancient glory.

"As you walk through it, as if you are passing through various periods of history," Herzog said. "You can feel the events and touch them."

Six hundred families currently live in the quarter - 20 per cent of them secular Jews, 40 per cent identifying as "national religious," and the rest ultra-Orthodox, according to the Housing Ministry.

Mayor Teddy Kollek, praised by Herzog for his efforts in the reconstruction, said that "there are a few minor things left to do, but way over 90 per cent has been completed."

Housing Minister David Levy, beaming at the crowd, was the host of the event. (On the invitation printed by his ministry, Levy's name appeared large over those of the other dignitaries, and was twice as large as Kollek's name.)

Levy presented Herzog with the first copy of an album of text and photos on the history and reconstruction of the quarter. The ministry spent \$300,000 on the album, which begins with a photograph of the minister and a foreword by him.

Supreme Court cornerstone laid

By JUDY SIEGEL

The new Supreme Court building, whose cornerstone was laid yesterday, will stand higher than the Knesset and the government offices - symbolic testimony that the judiciary is above the executive and the legislature and that no one is above the law.

The \$10 million project, which will replace the crammed, century-old court building in Jerusalem's Russian Compound, is being funded by the Yad Hanadiv, a philanthropic foundation established by the late James de Rothschild of London.

The structure was designed by a brother-and-sister team, Ram Karmi and Ada Karmi-Melamed, chosen by a panel from among 174 other architectural proposals.

President Herzog told 250 guests at the ceremony: "We in the State of Israel have not always given our judicial system the proper conditions for operating in a manner consistent with its status and importance. In this we have erred not infrequently. If, despite this, our courts are among the best in the world, it is due to judges and lawyers of the highest calibre who have done their work faithfully even under pitiful physical conditions."

over 100 criminal files were opened during the investigation, and that the 45 suspects constitute the majority of Beersheba's principle narcotic peddlers.

Large quantities of hashish, heroin, cocaine, and other drugs were seized, as well as weapons and stolen goods.

Peretz added that police hoped the relative quiet in North Dalet would continue for some time. The neighbourhood, dubbed "Tzfon Dallas" by residents because of its high incidence of shooting deaths and drug-related crime, has long been a focus of Negev narcotics traffic.

45 held in B'sheba drug bust

By BRADLEY BURSTON
For the Jerusalem Post

BEERSHEBA. - The streets of the rugged North Dalet neighbourhood here were unusually quiet yesterday, following pre-dawn police raids in which 45 suspected narcotics dealers were arrested.

One hundred and seventy police officers from Beersheba, Dimona, Arad, Ofakim and Eilat took part in the operation, the culmination of six months' undercover work gathering evidence against the alleged dealers. Pakad Dani Peretz of the Negev district police said yesterday that

Mitterrand to Shamir: France for conference

PARIS (AFP). - France would support an international conference on the Middle East, President Francois Mitterrand told visiting Premier Shamir here yesterday, a presidential source said.

During the meeting, which lasted about an hour, Mitterrand told Shamir that France had "ceased to be in favour of direct [Israeli-Arab] contacts" which "have ended in nothing," the source said.

"I therefore favour an international conference, knowing that all the solutions are difficult," Mitterrand reportedly added.

Shamir told reporters that the meeting had been "cordial" but "differences of opinion exist" about the value of an international peace conference.

The president emphasized that as long as Israel and the U.S. remain "hostile" to an international conference it will not take place. But there would "not be direct contacts either."

An international conference could be slow in achieving results, but a long conference is better than a long war," the president said.

During his visit, Shamir reiterated his opposition to contacts with the PLO.

But French Foreign Minister Jean-Bernard Raimond, who met with Shamir earlier yesterday said: "The reunification of the PLO [during the Palestine National Council session in Algiers last week] brought about a certain hardening. But the concessions made by PLO head Yasser Arafat to the radical wing are limited," Mr. Raimond said.

MUDDY

(Continued from Page One)

about the "peacocks" in the Knesset subcommittee and its judicial scope may prove academic. Just the facts, plus the findings of the politically-independent Rotenstreich-Tzur panel, would suffice to entangle the politics of peace with those of political survival.

The victims of damning Pollard reports may choose immediate elections to save their skins. ("Let the people decide").

But if their prospective successors revolt, "peace elections" would be put on the back burner as the parties turn inwards for the formidable internal battles.

Labour is banking on the support or abstention of Shas to pave the way for the 59 Labour and left wing MKs to vote for new elections. Shas has recently voiced extreme displeasure with the Likud's handling of the "return convert" registration issue.

Labour, on the other hand, could reconcile the differences between the Citizens Rights Movement and Shas, and would be loath to set up a coalition based on the tacit support of the extreme left.

Labour's worst nightmares may be realized if, following a Labour walk-out, the Likud succeeds in putting together a minority or interim government with Tehiya and the religious parties, with MK Meir Kahane providing discreet support.

For Rabbi Shach's dovishness notwithstanding, the Likud may offer Shas what the party cannot refuse and Labour cannot promise: a binding pledge on the "Who is a Jew" or "Kabbalistic courts" law.

Labour, on the other hand, could reconcile the differences between the Citizens Rights Movement and Shas, and would be loath to set up a coalition based on the tacit support of the extreme left.

LIKUD

(Continued from Page One)

Television's *Moked* last night that "Peres is leading us into a path of peril. We are talking about life and death. Let's see what the reaction will be when Petah Tikva, Netanyahu and Kfar Sava are hit by Katyushas."

Referring to reports of a meeting between Peres and Jordan's King Hussein, Sharon said that "Israelis have been meeting with Hussein for 20 years." Sharon added that although he had never met with Hussein personally, "What I am saying is on first hand basis."

Arens, who met with U.S. Secretary of State George Shultz this week, said that although the U.S. administration had been well aware since 1984 of the fundamental differences between the two parties, "it may have been given reason to believe that Peres could swing a cabinet majority behind the international conference proposal with the help of some Likud ministers. The administration no longer entertains the assumption that Peres could get help

from inside the Likud."

Arens said that he had not encountered any version of an international conference - American, Israeli, Soviet or Arab - to which the Likud could agree. Further progress toward Middle East peace will not be possible unless the Soviet Union is kept out of the process completely, Arens warned.

"An international conference constitutes a mortal threat to Israel's existence," Patt said, declaring "I am no hawk. Who wants such a conference? All our enemies. In my opinion, Peres doesn't believe in the conference. In his heart of hearts, he knows it won't take place. For him, it is merely a device to bring down the government and precipitate elections."

(Full interviews with Arens and Patt in Sunday's Post)

DELAYS. - Mail from Britain is expected to be delayed because of sanctions by UK customs officials. The Postal Authority has been informed.

On the shloshim of our mourning for

IRWIN (Yehiel) GORDON

a memorial meeting will be held on Thursday, May 7th, at 8:00 p.m. at Hazvi Yisrael Synagogue, 14 Hovevei Zion Street, Jerusalem

The Family Hazvi Yisrael Synagogue

Kibbutz Beit Ha'emek

On the Remembrance Day for the Fallen of Israel's Wars, we remember our sons and have them.

NISSIM AMICHAH (Vedri)

EITAN LAHAV (Lindeman)

JONATHAN GOLKER (Yoni)

MEIR SCHWARTZMAN

REUBEN SARIG (Rottenberg)

BARRY COOPER

A memorial service will take place on Sunday, May 3, 1987 at 10:45 a.m.

Beit Ha'emek

The unveiling of the tombstone of

Prof. SHMUEL E. LOEWENSTAMM

will take place on the first anniversary of the passing of his dear wife

AYALA LOEWENSTAMM

at 3 p.m., Sunday, May 3, 1987, at the Har Hamenuhot Cemetery, Giv'at Shaul, Jerusalem.

We shall meet at the main entrance.

The family and friends

The unveiling of the tombstone of our beloved mother

LOLA CARMON

will take place on Friday, May 1, 1987, 12 noon at the New Cemetery in Ramat Hasharon (Morasha Junction)

The Family

Two Siren Blasts - To Mark Memorial Day for the Fallen of Israel

Two siren blasts to mark the Memorial Day for the Fallen of Israel, will be sounded throughout the country on:

Saturday evening, May 2 at 9:30 p.m. - one minute blast.

Sunday, May 3 at 11 a.m. - blast for two minutes of countrywide silence.

In case of an actual alert, sirens will be sounded on an ascending/descending scale.

Get back your set — at the TV auction

By GREER FAY CASHMAN
Jerusalem Post Reporter

Do you really stand in danger of having your television set carted away if you don't pay your broadcasting licence fee? Few people believe those service broadcasts that show the hapless owner of a TV set watching helplessly as two burly men carry it out of his house.

Doubting Thomases would have discovered just how serious these broadcasts are had they attended the public auction held yesterday in Jerusalem by the Broadcasting Authority's licence fee department.

There were 126 job lots: television sets, stereos, radio tapes, record players, videos, electric fans, toaster ovens, vacuum cleaners, heaters, wall clocks, mixers and paintings. Their owners had been several hundred shekels in arrears in the payment of their licence fee, and those who hid their sets had other appliances and goods confiscated.

The IBA had advertised in the Hebrew press that anyone who wanted to reclaim property could do so up to the day before the auction provided that they paid their fees. According to Netta Koblenz, spokeswoman for the licence department, only a handful made the effort. However others turned up at



Pini Shaharon of Netivot regains ownership of his TV set. (Dan Landau)

the auction and bought back their own goods. And sums they paid were deducted from what they owed.

Prospective buyers came from all over the country, with the greatest representation from Netivot. Two blitz campaigns were conducted there in the last two months. Aliza

Cohen paid NIS 800 for an almost new colour Sony set with a 24-inch screen. "It's much better than the one they took away from me," she said. Her neighbour, Sara Botred, retrieved her own set after bidding NIS 663. Ya'acov Hadad, also from Netivot forked out NIS 800 to get his TV back. He had owed the IBA NIS

785 for five years of fees.

Bargain hunters crowded into the cramped premises behind the Central Bus Station. People who shouted "that's mine" at the sight of a familiar item faced little or no competition. That's how Pini Shaharon was able to get back a brand new electric fan and a large black-and-white TV for only NIS 120.

All the items had been valued earlier by an assessor, but the prices he placed of them were often not met. Such items were withdrawn until the next auction.

Also present were dealers with crisp packets of bank notes in denominations of NIS 100 and NIS 50. Some of the inexperienced buyers, attending their first auction, did not bring sufficient cash. Auctioneer Ze'ev Saad refused to accept cheques, but the greenhorns did not go home unhappy. There was always someone who offered to lend them the NIS 30-40 they needed.

People who have sold old TV sets must notify the IBA licence fee department within thirty days of the sale. If you forget to do so, but can produce a receipt, the IBA will not penalize you for negligence. But if you do not show a receipt, it does not matter how long you have not had a set — you have to pay the annual licence fee.



Grand Duke Jean

Grand Duke to head visiting notables

Jerusalem Post Reporter

The first reigning European monarch to make a state visit to Israel is due here next month, heading an impressive list of foreign dignitaries scheduled to arrive in the coming weeks.

The Grand Duke Jean of Luxembourg is to arrive on Saturday, May 11, returning the state visit to Luxembourg made by President Herzog more than two years ago. The two men have known each other for many years, as both were officers in the British Army at Sandhurst, and the grand duke was among the Allied troops landing in Normandy in June 1944.

As a special gesture, Herzog is to accompany the Luxembourg dignitary on many of his tours here. Luxembourg is regarded as important to Israel because of its role in the European Community.

Panama's President Eric Arturo Delvalle arrives for a four-day visit immediately after the grand duke's departure.

He will be followed by Italian President Francesco Cossiga, due for a four-day visit. Close on his heels will be President Jose Ascona Hoyos of Honduras, to be followed by El Salvador's vice president. All the visits will entail state dinners at Beit Hanassi.

Lionesses drive for full rights as Lions

By JUDY SIEGEL

Post Science and Health Reporter
Feminism has penetrated the male bastions known as Lions Clubs, and the international president of that organization is pushing for full voting rights for women affiliates.

Sten Akestam, a Swede who arrived this week in Israel from a tour of Lions Clubs in Egypt, told *The Jerusalem Post* that the vote on women's enfranchisement will be brought up again at the next Lions convention in Taipei in July. In previous years, only 40 per cent of the delegates voted to allow women affiliates — over 152,000 Lionesses — to vote and run for office. At present, women may only take part in Lions Clubs meetings.

The Israel Lions Clubs, headed by Shimon Seliger (just elected to replace Shuka Tamir), have decided to vote in favour of the women's rights amendment to the Lions Club constitution.

The service organization was founded in 1917 by a Texan, and it has since established 38,000 clubs with 1,348,000 members worldwide. Only in the Communist bloc and part of the Arab world are there no Lions Clubs. But there is a surprisingly flourishing club in Lebanon, and others in Egypt and Jordan. Funds collected by Lions are used for local and international projects to help the blind, fight drug abuse and promote other causes.

There are 400 Israeli Lions Club members, affiliated to 14 men's clubs and three clubs for Lionesses. Seliger says he wants to increase membership: anyone who is willing to work and help others can apply. The country's first official eye bank opened at Ichilov Hospital in Tel Aviv following a \$100,000 donation



Sten Akestam

from the Israel Lions Clubs. Corneas donated here and obtained abroad will be stored for transplants that will restore sight to many blind people.

Until now, corneas have been stored in the various hospitals on a makeshift basis. The new central bank will serve the whole country on a systematic basis.

The Israeli Lions also established MedAlert, which has distributed identification bracelets to about 500 people who are allergic to certain drugs. According to Seliger, MedAlert has already saved a number of lives.

At the 27th Israeli Lions convention this week, it was resolved to demand that a tax be added to the price of all light bulbs sold here, with the funds going to help the blind.

The first Arab-Jewish Lions Club is to be started soon in Nazareth. An Arab club already exists in Abu Ghosh, outside Jerusalem.

Cars outside look like the people inside

It's often possible to know what's going on inside the Mann Auditorium by studying the cars parked outside.

There's a nightly parade of professional or ethnic, artistic or subscription audiences. The lawyers in recent years seem to have traded in BMWs for Chryslers, Oldsmobiles and Buicks, which in America are called "compact" but here seem much larger. The Bulgarians seem to celebrate success in Volvos, both privately and government-owned.

Georgians came one night for a Soviet-sponsored folk dance troupe. Many of them arrived in Peugeot pickup trucks, driving up from Ashdod, where in half a generation they have become solid citizens.

The kibbutzniks come to concerts in buses, which also bring settlers from the territories, soldiers in officer-training courses, high-schoolers from youth aliyah villages, and groups of tourists in Tel Aviv for the night before going to Masada, the Western Wall or the old Syrian positions on the Golan Heights.

Subscribers, who often have a

proprietary attitude towards the building as well as the orchestra, seem to arrive in Subarus or Mercedes sedans or by public transport.

The Philharmonic musicians have stickers that allow them free parking, and they drive Subarus, or well-kept 10-year-old luxury sedans, from the days when a new immigrant's car was identifiable by the licence plate.

Many of the concert subscribers are elderly couples who walk to the hall, arm-in-arm, from old Tel Aviv apartments, old German, Polish and Yiddish-speaking couples who walk slowly at night under the trees of Rothschild, Chen, and Ben-Zion boulevards.

Just as cars resemble their owners, husbands and wives seem to grow to resemble each other.

Glittering gala affairs bring catering vans which park along the sidewalk, while the parking lot is full of new cars that even without the taxes and customs would be considered flashy expensive in Germany.

Large, uniformed security men patrol the entrances, as university students rush back and forth from



Robert Rosenberg

the catering vans to the lobby, carrying trays of canapés and not very good wine, or worse, imitation bubbly.

In winter, furs dominate. In spring and summer the women display long evening gowns. This year somebody opened a tuxedo shop in town, and perhaps next fall there will be men in electric blue jackets over filled silk shirts.

Sometimes there are special concerts by pop singers celebrating an ageing Israeli songwriter and accompanied by an abridged version of the Israel Philharmonic Orchestra. The hall has room for about 2,500 people, but 3,500 show up when the organizers misjudge the appeal of an affair or a lot of soldiers have leave.

The soldiers' older brothers, sisters and parents, if they grew up in Tel Aviv, can remember a sandy hill

beneath the concert hall.

In those days, the streets of the three boulevards did not give much shade. The boulevards ended at a scrub-covered field where neighbourhood kids played cops and robbers, or perhaps Palmahniks and Arabs. On Lag Ba'Omer, bonfires would spew smoke into the sky.

That was more than 20 years ago, when nobody could imagine an Israel of evening gowns and parking lots crammed with new cars, let alone the economic policies and politics that began exactly 20 years ago and made such things possible.

City Hall has a plan to turn the entire parking lot in front of the auditorium into a huge glass atrium full of elegant boutiques and cafes. The cars will go underground.

If that happens, instead of memories about Palmahniks and Arabs on a scrub-covered hilltop, there will be memories of the street-level parking lot and how on Saturdays, when it was empty, kids raced their bicycles there, and how at night, when it was full, the cars outside looked like the people inside.

Drowning victim found

TIBERIAS (Itim). — The body of Arye Resnik, a 32-year-old new immigrant from the U.S. was found in the Kinneret yesterday. Resnik disappeared in the lake on Monday while swimming with a friend.

JDC elects Schneider

Michael Schneider, the Joint Distribution Committee's representative in Israel, will serve as the JDC's secretary-general from December, the JDC has announced. Schneider will be replacing Ralph Goldman.

Remembrance Day on Saturday

Jerusalem Post Staff
Sirens will sound throughout the country at 9:30 Saturday night to mark the beginning of Remembrance Day for Israel's fallen.

The opening memorial ceremony at the Western Wall is also to begin at 9:30, as a bereaved mother passes a torch to President Herzog, Chief of General Staff Dan Shomron, the commander of the Jerusalem Brigade, and bereaved families are to attend the ceremony.

Sirens will sound again at 11 a.m. Sunday for two minutes. After the siren, the central memorial ceremony at Mt. Herzl in Jerusalem is to begin, as are ceremonies at other cemeteries. All IDF units are to mark the day.

All places of public entertainment are to remain closed Saturday night and during the day on Sunday.

The ceremony marking the end of Remembrance Day and the beginning of Independence Day is to take place at 7:45 p.m. at Mt. Herzl, and will include the traditional lighting of 12 torches. The theme of this year's event is the arts in Israel.

On Monday, President Herzog is to hold receptions at Beit Hanassi for senior commanders from the War of Independence and the Six Day War. The World Bible Quiz is to be held at the Jerusalem Theatre at noon and will be open to the public. An exhibition marking 50 years of civil aviation in Israel is to be held at Ben-Gurion Airport from 8:30 a.m. to 5 p.m. Visitors who arrive after 1 p.m. will not pay an entrance fee.

Students to see Herzog over tuition fees

Jerusalem Post Reporter
TEL AVIV. — Leaders of the National Students' Union are to meet at noon today with President Herzog to ask him to intercede on their behalf with the prime minister and other ministers to expedite a

decision on next year's university tuition fees.

David Berman, chairman of the union, told *The Jerusalem Post* last night that the students would begin a general strike on Tuesday and continue striking until the cabinet came to a decision.

WORLD FEDERATION OF POLISH JEWS
158 Dizengoff St., Tel Aviv, Tel: 228205

5th World Congress of Polish Jews in Commemoration of 1,000 Years of Polish Jewry
May 5-8, 1987, Israel

Tuesday, May 5, 1987
8:00 p.m.
Opening Ceremony at Mann Auditorium, Tel Aviv
With the Participation of:
Mr. Chaim Herzog, President of the State of Israel
Mr. Yitzhak Shamir, Prime Minister of Israel

Opening Address:
Stefan Grayek — President, World Federation

GREETINGS:
Kalman Sultanik — World Jewish Congress and President of the Federation in the U.S.A.
Prof. Jozef Gierowski, Rector, Crakow University
Shlomo Lahat — Mayor, Tel Aviv-Jaffa
Zvi Kichler — Gil-Ad — second generation
Poet Abraham Suckever — reading his own poetry

Artistic Programme:
"Ankor" Children's Choir, by the Music Academy, Jerusalem
"Shalom 2" Tel Aviv Dance Group
Singer Dudu Fisher and his band

Moderator: Amikam Curewitz
Presentation of Polish Jewry Award, and Closing Ceremony of the Congress — Thursday, May 7, 8 p.m. at Carlton Hotel, Tel Aviv.

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Ambassador Robert D. Blackwill
The United States Representative at the Negotiations on Mutual and Balanced Force Reductions, in Vienna

Arms Control and U.S. National Security Policy
on Thursday, April 30, 1987 at 4:00 p.m.
Shachar Hall, Martin Buber Building,
Mount Scopus Campus, Jerusalem

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THE NEWS THAT SHOOK THE WORLD, 1932-1987

THE STORY OF A NATION

THE JERUSALEM POST

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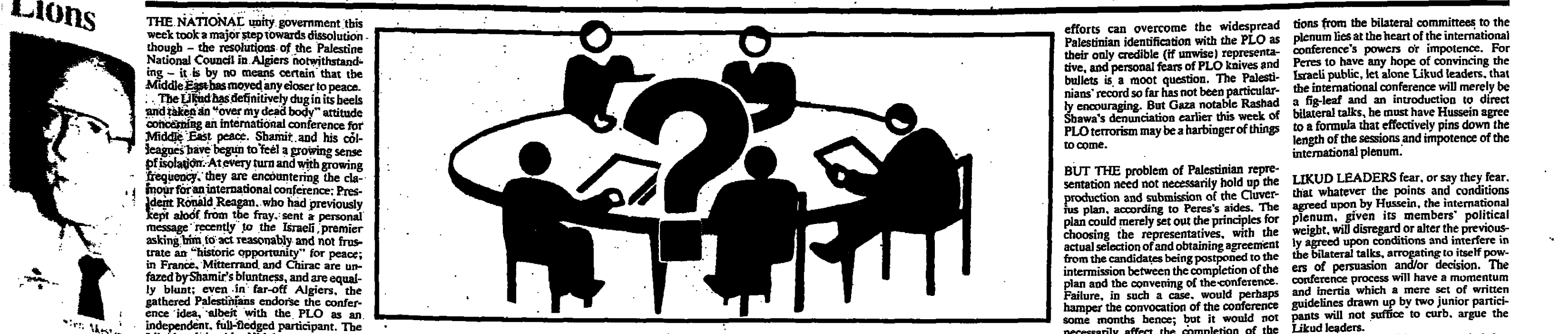
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THE NATIONAL unity government this week took a major step towards dissolution though – the resolutions of the Palestine National Council in Algiers notwithstanding – it is by no means certain that the Middle East has moved any closer to peace.

The Likud has definitively dug in its heels and taken an “over my dead body” attitude concerning an international conference for Middle East peace. Shamir and his colleagues have begun to feel a growing sense of isolation. At every turn and with growing frequency, they are encountering the clamour for an international conference; President Ronald Reagan, who had previously kept aloof from the fray, sent a personal message recently to the Israeli premier asking him to act reasonably and not frustrate an “historic opportunity” for peace; in France, Mitterrand and Chirac are unfazed by Shamir’s bluntness, and are equally blunt; even in far-off Algiers, the gathered Palestinians endorse the conference idea, albeit with the PLO as an independent, full-fledged participant. The Likud and the Abu Nidal group appear to be the only bodies rejecting the international conference idea.

The resulting sense of desperation, even panic, prompted Shamir to dispatch under false pretences (vis-a-vis the Labour ministers) Minister-without-Portfolio Moshe Arens to Washington with dire warnings and barely veiled threats.

His performance was little appreciated by his hosts, and was politely rebuffed. Arens spoke of the Soviet bear’s re-entry into the Middle East should Israel and the U.S. be so foolish as to invite him back in; of the prospective isolation and coercion of Israel (and the U.S.) in a convocation in which there would be an almost automatic line-up of Communist, Arab and EC states; of the chaos – a word emphasized repeatedly during the past few days by all Likud spokesmen – that would befall Israeli politics and the economy should Peres’s peace momentum lead to the break-up of the unity government; of the economic price that chaos in Israel would exact on the American Treasury; and of the ill-will in Israel that American “interference” in internal Israeli affairs (preferring Peres and the international conference over Shamir and his advocacy of direct negotiations) would generate.

The Arens mission marks a point of no return in a number of areas. After it, there can be no turning back for the Likud. It is irrevocably committed to opposing any and all schemes for an international conference, whoever the author and whatever the terms of reference. In addition, as Peres’s protest to Shamir on Sunday made clear, a norm of deception has been introduced into

efforts can overcome the widespread Palestinian identification with the PLO as their only credible (if unwise) representative, and personal fears of PLO knives and bullets is a moot question. The Palestinians’ record so far has not been particularly encouraging. But Gaza notable Rashid Shawa’s denunciation earlier this week of PLO terrorism may be a harbinger of things to come.

BUT THE problem of Palestinian representation need not necessarily hold up the production and submission of the Cluervius plan, according to Peres’s aides. The plan could merely set out the principles for choosing the representatives, with the actual selection of and obtaining agreement from the candidates being postponed to the intermission between the completion of the plan and the convening of the conference. Failure, in such a case, would perhaps hamper the convocation of the conference some months hence; but it would not necessarily affect the completion of the plan or its submission to a cabinet vote.

This conforms with Peres’s strategy which throughout has been to defer the treatment of substantive issues so far as possible to the conference itself. His reasoning has been, rightly, that dealing with them before the conference would probably assure that the conference would never take place; and that in trying to solve those problems, Israel would have to make compromises and concessions, that would be politically impossible – indeed, suicidal for him – before the conference. On the other hand, once the conference begins, he can present all and any Israeli concessions as forced upon him and as the necessary price for Arab concessions – ultimately, as the price of peace.

Unlike the solution to the problem of Palestinian representation, agreement on the length and frequency of the conference sessions will perform a central element of the plan itself. For the question implicitly embraces the cardinal issue of the powers – or impotence – of the plenary international forum as compared with those of the regional, bilateral committees.

While Hussein has in principle agreed to the non-coercive, almost heraldic nature of the international gathering, there is at least a hint of suspicion among Peres’s aides (and a bowing certainty among Likudniks) that Hussein nonetheless hopes that the international component of the conference (the Security Council five) will accompany the bilateral deliberations throughout and in some way affect or determine their outcome.

The question of referring unsolved ques-

tions from the bilateral committees to the plenum lies at the heart of the international conference’s powers or impotence. For Peres to have any hope of convincing the Israeli public, let alone Likud leaders, that the international conference will merely be a fig-leaf and an introduction to direct bilateral talks, he must have Hussein agree to a formula that effectively pins down the length of the sessions and impotence of the international plenum.

LIKUD LEADERS fear, or say they fear, that whatever the points and conditions agreed upon by Hussein, the international plenum, given its members’ political weight, will disregard or alter the previously agreed upon conditions and interfere in the bilateral talks, arrogating to itself powers of persuasion and/or decision. The conference process will have a momentum and inertia which a mere set of written guidelines drawn up by two junior participants will not suffice to curb, argue the Likud leaders.

Perhaps the Likud is most worried that once convened, the Communist-EC-Arab line-up will demand – in line with all three blocs’ current policies – PLO participation in the talks. It wouldn’t take much on the part of Arafat to undo the damage done at Algiers and re-legitimize the PLO, at least in Egyptian eyes, and possibly in Jordanian eyes as well. Arafat would throw out a hint of conditional acceptance of 242 and Israel would be isolated.

Looking down the road to the conference, the Likud sees numerous and extravagant dangers. Given a worldview that starts with “the whole world is against us,” there is little problem in seeing that view translated into reality in a convocation at Geneva or wherever. Meanwhile, the Likud has adopted a course from which there appears to be no retreat and whose outcome must be that the whole world is against the Likud.

All of this, however, as Peres realizes, brings Israel no closer to peace with Jordan and the Palestinians. For even if he can overcome the Likud hurdle – by agreement, which now seems inconceivable, or by election (which is at best doubtful) – he has not yet begun to tackle the substantive problems dividing Israel and the Arab world. The problems of Arab enmity toward Israel, the Palestinian diaspora and the West Bank and Gaza Strip appear no more soluble and no closer to solution now than they did six months or 10 years ago.

Nor does the Israeli public look any readier now than it did 10 years ago to contemplate those concessions that might give peace a chance. The contrary seems closer to reality.

THE PERES STRATEGY

Diplomatic correspondent Benny Morris considers the formidable problems the foreign minister must overcome to advance on the road to peace.

Likud-Labour ministerial relations that makes continued governing together inconceivable. It is now only a matter of time. The countdown to the dissolution of the unity government has begun.

Likud stalwarts hope, or pretend to hope, that Arens’s dire message has given Washington pause and has at least postponed a full-throated American announcement of support for the Peres formula for an international conference.

But American sensibilities and calculations are attuned to another timetable – that of shutting Ambassador Wat Cluervius’s efforts to put together a draft plan for launching the international conference acceptable to Israel, Jordan and Egypt. When Cluervius completes his formulation of the mutually agreed programme of “modalities,” Washington will give it its blessing and submit it to Middle East capitals (and Moscow, Peking, London and Paris) for ratification. Peres will then present it to the cabinet – as an American plan, naturally making it that much more difficult for the Likud ministers to reject it.

PERES and Hussein have already agreed on 10 points in the emerging American plan – chief of which is that the international conference will serve only as a corridor for direct, bilateral Israeli-Arab talks and will not have powers to coerce the regional parties to accept this or that solution or settlement.

Cluervius, Hussein and Peres still have to sort out two cardinal issues – how long or how frequently the international conference will meet while bilateral, “regional committee” deliberations are going on and who will represent the Palestinians at the conference. (A third outstanding problem remains the Israeli terms for Soviet and Chinese participation in the conference, though this is not an Israeli-Jordanian but an Israeli-Soviet and Israeli-Chinese – and perhaps an American-Soviet – problem.)

Peres hopes that the radicalization of the PLO position at last week’s PNC meeting will facilitate the emergence of “authentic” Palestinian representatives who are not members of the PLO. In once again rejecting UN Security Council Resolution 242, in

David Horowitz, in London, finds out what experts think of a peace conference.

Backroom talks are what count

THE REAL progress at peace conferences, of course, takes place in the corridors, the hotel rooms and the cafes, not in the conference rooms themselves at all,” muses Keith Kyle, Kyle, currently assistant director at the Royal Institute of International Affairs, is reflecting on the likely course of an international peace conference on the Middle East.

“There is no real precedent for a conference of precisely this sort,” he says. “But conferences such as those at Rhodes and Lausanne in 1949, and non-Middle Eastern gatherings like the one in 1955 that settled the state treaty with Austria, give a good indication of how matters might progress.”

The most important part of a peace conference, says Kyle, a veteran *Economist* and BBC journalist, who is now writing a book on the Suez crisis, lies in simply bringing the various parties to the same location, however divergent and irreconcilable their views might initially appear.

He cites the various armistice agreements hammered out in 1949, under the UN’s acting mediator, Ralph Bunche. “At first, the Egyptian delegation refused to so much as sit in the same room as the Israelis, but Bunche persuaded them, and eventually the sides got together, assured each other that they were genuinely interested in reaching a peace agreement, and the armistice was successfully worked out.”

Foreign Ministry chief negotiator Walter Eytan, indeed, recalls in his book on Israel’s early years that when the Israelis and Egyptians arrived in Rhodes they found themselves booked into the same hotel, the Hotel des Roses, and in rooms just one floor apart.

When the Egyptians spotted an Israeli in the hotel corridor, Eytan writes, they “would eye him, literally askance – demonstratively turning away their heads, although soon overcome by curiosity and turning back sufficiently to catch a glance.”

By the time agreement was reached late in February 1949, the delegations had become quite friendly, Eytan added.

KYLE believes that any conference would probably be held in Geneva, under some kind of UN auspices, possibly providing simply for the use of UN premises, an opening address by the secretary-general, and a report back to the Security Council at the end of the discussions.

“The next stage,” he adds, “would probably be the choice of chairmen, and, assuming that the Soviets were in attendance, the U.S. and Soviet Union might well each put forward a representative to serve as joint chairmen.

“These stages of the conference would be conducted in the full glare of the media spotlight, with all the respective foreign ministers in attendance. Then, however, the slower level negotiators would take over.”

The climate of the conference would determine whether the various sets of negotiators paired off to discuss separate aspects of a Middle East solution, or whether the countries remained huddled in their own headquarters, passing messages to one another via the chairmen.

“At Rhodes the ‘proximity talks’ led eventually to direct negotiation; at Lausanne they didn’t. But the mistake at Lausanne was that the Arab nations were allowed to form themselves into one joint delegation,” says Kyle.

“The larger the delegation, the less the chance of progress. With the joint delegation at Lausanne, no single Arab party was prepared to take the initiative, to take a moderate line, because the fear was that, if things did not work out, one party would be held responsible.”

Even at the abortive Lausanne settlement talks, recalls Eytan, the Arab delegates, acting independently of each other, all made contact with the Israelis, with clandestine late-night meetings in restaurants, in cafes outside Lausanne, and even as far away as Paris.

“The conference,” Kyle suggests, “could even serve as a front for secret talks elsewhere, as with the 1949 armistice talks between Israel and Jordan. The Jordanian delegation that King Abdullah sent to the official talks was barely empowered to do anything. Agreement was reached during the king’s top secret talks with Foreign Minister Sharett and Col. Dayan but, to satisfy UN sensibilities, the armistice itself was signed at Rhodes.”

KYLE believes that, provided the Soviet Union, Syria and the PLO are represented, there is hope for an international conference.

“For those who really want a settlement, Foreign Minister Peres’s approach is the only one. But, of course, there is no way that Peres would be foreign minister if such a conference was taking place.”

“It would surely necessitate the break-up of the present unity government, and the Labour Party’s return to power after a general election. The issues are quite complex enough, without divisive pressures in Israel adding to the complications.”

So, apart from a strong Labour government in Israel, what else does Kyle see as essential preconditions for a conference?

“Well, I think one of the other main conditions may be coming close to fulfilment. That is a greater trust and sense of mutual interest between the superpowers.”

“The Soviet Union must be at the conference because only it has the power to force Syria to attend and make concessions. And the Soviets and the U.S. must rely on each other to push hard for a solution. I must say that, in this present era of imminent arms deals and possible superpower summits, the mutual trust does appear to be growing.”

Restoration of normal profitable trading in all sectors of the diamond industry

Extracts from Julian Ogilvie Thompson’s Statement for 1986

1986 saw the restoration of normal, profitable trading in all sectors of the diamond industry – a development that had a collective significance too, in that it confirmed the fundamental soundness of the diamond business and its structure, and demonstrated once more the effectiveness of De Beers’ centralised selling system.

Total sales of rough diamonds by the Central Selling Organisation rose by 40 per cent to US \$2,557 million. During the year the CSO came to sell all qualities and sizes of rough diamonds, so that for the first time for many years demand for rough diamonds from the CSO was back in balance with current production available from its many sources around the world.

Jewellery sales

World retail sales of diamond jewellery attained yet another record. It is pleasing to note that there has been no undue increase in the utilisation of bank finance in the cutting centres, the higher turnover being largely financed with the industry’s own funds.

There is a mood of confidence in the cutting centres and in the retail trade which augurs well for 1987, given no unforeseen developments, the anticipated growth in the world economy, and continued co-operation by producers. Demand at the first three sights has remained buoyant, though the movement of this off-take of rough diamonds through the pipeline into retail sales will have to be carefully assessed.

Group results for the year were good, notwithstanding the higher rand/dollar exchange rate at the year end.

Record dividend

Total dividends on the deferred shares were increased by 45 per cent to a record 80 cents a share. The dividend was 2.6 times covered by earnings, compared with 3.3 times the previous year.

Group diamond stocks, at \$1,847 million, were \$51 million lower than the previous year. Our stockpile is soundly and adequately financed and we remain entirely willing to carry large stocks to ensure – in the interests of the whole industry – that unsound trading and speculation does not arise again as it did in the late seventies.

Our Industrial Division had another satisfactory year with total sales reaching a new high and profits in dollar terms marginally ahead of 1985.

Production from De Beers’ mines and Debswana, which De Beers holds in equal partnership with the Government of Botswana, was 3 per cent higher at 23,945,000 carats.

Equal opportunities

The Company continues to strive for equal opportunity for all its employees and to ameliorate, as far as lies within its power, the disadvantages that flow from the existence over the years of discriminatory legislation. The abolition of statutory job reservation in the mining industry, which we have urged for many years, has again been delayed by the Government. However, following the repeal of influx control, our South African mines are urgently planning a major expansion of the Company’s home-ownership scheme. Regrettably this still has to be done within the constraints of the Group Areas Act. Our objective is that all South African

employees should be free to choose between living with their families in their own or rented homes, or singly in hostels. We will need Government co-operation in the proclamation of land and the provision of the necessary community infrastructures.

In the context of mitigating the effects of an inferior educational system, it is encouraging that greater success is being achieved with the Pre-University Bursary Scheme for prospective black undergraduates. The purpose of this scheme, in line with our policy of merit-based manning, is to help black graduates to qualify for management positions in the Group. We continue our substantial in-service training and educational schemes.

Last year I noted that the Government had announced and was in the process of implementing a number of reforms, and indeed its abolition of certain restrictions on black people constituted a significant movement toward greater racial equity which has materially eased their daily lives. These changes, however, were but part of the necessary process of paving the way for properly representative negotiations on the

country’s constitutional future. I had hoped that further initiatives would soon follow but that, alas, was not to be.

Abolition of apartheid

Campaigning for the election to be held in May for the White Chamber of Parliament suggests that a larger section of the electorate than had generally been expected has swung to the view – which we have long advocated – that Government must press ahead with the abolition of the remaining vestiges of apartheid in order that negotiations without pre-conditions – other than a cessation of violence – can begin on a constitution that will enable all South Africans to participate fairly and fully in the political process, that offers equal economic opportunity to all, and has an entrenched Bill of Rights. We must hope that the election will show that this view now has such an influential measure of support among white voters that it will materially facilitate and accelerate reform.

Diamond Congress

Last July a number of my colleagues and I attended part of the 23rd World Diamond Congress of diamond bourses and manufacturers in Tel Aviv, where we were able to renew old acquaintances with many of the leading personalities and meet the younger generation in the diamond business, all of whom had played their part in bringing the industry through its most difficult period for 50 years. It was appropriate that the congress should have been held in Israel which was the first centre to be hit, and perhaps the hardest hit, by the depression, and whose ingenuity contributed so much to the subsequent recovery. Israel and the other cutting centres, as well as the producers, may be sure that all of us in De Beers and the CSO will continue to play our full part in the maintenance of prosperity in the diamond business.

The full Chairman’s Statement is contained in the Annual Report of the Company for the year ended 31st December 1986 which was posted to registered Shareholders on 29th April 1987.

De Beers Consolidated Mines Limited (Incorporated in the Republic of South Africa)

London Office 40 Holborn Viaduct, London EC1P 1AJ.

De Beers



Beit Shemesh Engines

Betting future on PW-1120

"IF BEIT Shemesh Engines folds, then my son will never play in the Philharmonic," Moshe Levy, head of the BSE workers' committee told *The Jerusalem Post*.

Levy, a 30-year-old lathe operator, explained that to him the high-tech jet engine manufacturer meant an opportunity for residents of the Judean Hills development town to improve themselves, and carve out a brighter future for their children. If it failed, the town would remain a backwater and its inhabitants would stagnate.

In the years following the Six Day War, the fate of Beit Shemesh has become inextricably intertwined with the fate of BSE, the area's major economic enterprise.

From fairly modest beginnings as the brainchild of French industrialist Joseph Shidlovsky, the plant blossomed into a showpiece example of hi-tech in a development area. But bad management brought the company teetering on the brink of economic disaster and for over a year its major shareholder, the government, has been unable to decide what to do about the debt-ridden enterprise.

Avi Hoffman

mic disaster and for over a year its major shareholder, the government, has been unable to decide what to do about the debt-ridden enterprise.

The cabinet this week once again declined to seal BSE's fate, even though Defence Minister Yitzhak Rabin washed his hands of the enterprise, claiming that his ministry saw no justification for keeping it open. Another powerful opponent is Finance Minister Moshe Nissim who holds that closing BSE would be cheaper than continuing to run it. Various figures in the tens and hundreds of millions of shekels are bandied about by those for and against shutting down the plant.

As with the even more ambitious Lavi project, there are those who question whether Israel can afford the luxury of maintaining a top-flight engine-building facility. But there is

no doubt that what gives the government pause is the effect the closure may have on the town of Beit Shemesh.

THERE ARE at present over 600 unemployed people in the town. Half of BSE's 700-strong workforce lives in the area (the rest live in Jerusalem and the coastal plain). If they lose their jobs, it would set the development town back decades.

A visit to the plant, set in gently rolling hills some distance from the town, reveals a neatly laid-out plant, free of grime and noise: colourful rose beds outside, quiet efficiency inside.

Workers are proud of being part of one of the few facilities in the world capable of handling the high-precision engineering demanded by the latest word in jet-engine design—the Pratt and Whitney 1120—which powers Israel Aircraft Industries' billion dollar baby, the Lavi fighter. "We have no managing-director

Beit Shemesh workers demonstrate—and wait.

nor board of directors, but the plant has managed to maintain the same level of production we achieved when we had twice the number of workers," a senior BSE source told *The Post*. Due to its economic straits, suppliers have not been extending credit, and the firm has been unable to purchase new machinery. Its uncertain future has also made it hard for BSE to win work contracts.

Nevertheless, the workers have not been idle. The company's annual production of \$30-40 million more than covered current expenses, the source said.

Inside one of the vast workshops, in a practically dust-free environment, production manager Shraga Kulbak proudly displayed a \$350,000 computer-controlled milling and drilling machine. Made in Japan, the machine is capable of working to a tolerance of one-

thousandth of a millimetre. It, and others like it, are used in the manufacturing of the high-precision parts, made of super-strong, super-light titanium, which go into the heart of high-performance engines such as the PW-1120.

IN THE early 1980s, BSE received a major technological boost by winning a bitter battle against the local aviation giant, Israel Aircraft Industries, for the right to produce the Lavi's powerplant, the PW-1120.

The Lavi engine brought with it the involvement of Pratt and Whitney. The mammoth U.S. aero-engine firm bought a 40 per cent share of BSE for a bargain price of some \$15 million, and BSE's hopes and plans soared skyhigh.

But the company soon came down to earth with a jolt. Caught up with the rest of the economy in a dizzy inflationary spiral, BSE had to begin

paying the price for a top-heavy management which distinguished itself by overextending the company's resources, and by a total lack of planning. One example of this was a sophisticated \$12 million testing facility which remained idle for years.

The involvement with P-and-W, however, proved itself in the realm of technological cooperation. The acquisition of PW-1120 production rights pushed BSE into the technology of the 21st century, one quality control engineer said. Other engines handled by BSE, such as the Phantom's J-79 powerplant, had been designed decades ago.

P-and-W demanded stringent standards. Every single part, said the engineer, had its own logbook listing its history, and was announced fit for use only after a battery of tests, including ultrasound and other sophisticated techniques.

WORKERS' committee head Levy is hardpressed to understand the motives of those urging closure. In a letter sent this week to Rabin, he pointed out that the plant had operated for years under the ownership and encouragement of the Defence Ministry. Why it has suddenly become superfluous to the country's security is thus a puzzle to him.

Levy challenged the figures put out by Finance Minister Nissim, who claimed that it would cost NIS 180 million to save the factory, as compared with NIS 60 million to close it. How could Nissim's figures be taken seriously, Levy asked, when his own budgetary division came up with a NIS 2.9 billion discrepancy in the state budget last month, because of "differences in definition?"

One of BSE's potential saviours is Nahariya industrialist Stel Wertheimer, owner of Iscar Blades, which is already involved in producing some parts for the PW-1120. But Wertheimer has demanded that the Defence Ministry commit itself to annual orders of \$20 million, and Rabin has refused.

According to the BSE workers' committee, the Defence Ministry orders for the current year total some \$14m., so the gap is not that large. The ministry's orders account for one third to one half of the total, the committee claims.

The workers say that Nissim has not taken into account the financial burden of supporting hundreds of additional unemployed who will have no chance of finding work in the area, if BSE is closed down. They dismissed talk of setting up alternative sources of employment in the area as unrealistic. "Where will they get money for new factories?" asked committee member Avi Edri.



(Menahem Kahana/Media)

Palestinian power play

Mark Segal

to the PLO Executive. Up till now, the Israel Communist Party (the dominant element in the four-MK Democratic Front for Peace and Equality) was identified with Habash's faction (the Popular Front for the Liberation of Palestine). This was because of Habash's alliance, not only with Hawatmeh, but with the Palestine Communist Party. Rakah's competitor—the Progressive List for Peace—was identified with Fatah.

The Dayan Centre Arabist regards the decision to co-opt a communist representative as a most dramatic move. "It removes the last obstacle to the international Communist movement," he explains. Hitherto, the relationship was somewhat problematic because of the declared Soviet commitment to UN Resolution 242 and its continued recognition of the State of Israel, he notes, adding "for them it was a stain on the Communists' record."

This was a decidedly positive development from Rakah's viewpoint, for its spokesmen can now openly support Yasser Arafat's faction and not only Habash. Most importantly for Rakah, this move eliminates the Progressives' relative tactical advantage among their electorate. Reches has heard talk of the likely closing of ranks between the two parties, and according to his sources—with the initiative most likely coming from Rakah.

Such enveloping tactics have worked admirably for the extremely well-organized Israel Communist Party in the past. A prime example was the emergence some years ago of the ultra-radical "Sons of the Village," whose militancy has become muted since accepting Rakah's offer of co-optation to the Democratic Front. Reches, who is the academic expert on Rakah, says all moves are aimed at strengthening Rakah's

position: "They are most certainly not philanthropists," he remarks.

HOW WOULD a real thaw in Moscow-Jerusalem relations affect Rakah? He conjectures that it would enhance Rakah's standing. Its special position as a channel to the Kremlin was illustrated—for example—by the way Rakah Secretary-General Meir Wilner briefed President Chaim Herzog on his meeting with Soviet leader Mikhail Gorbachev. However, he would differentiate between the impact of a removal of diplomatic ties on Jews and Arabs, especially if it led to increased allyship from the Soviet Union. A fascinating element in the conundrum of Soviet policy towards this country has been its insistence on a Jewish leadership of the party which is its prime political instrument among Israeli Arabs.

Reches reports that the Rakah leadership is delighted at the highly active role played by the Soviet ambassador to Algeria throughout the PNC's deliberations. The Dayan Centre researcher regards this as yet additional evidence of the depth of the Kremlin's commitment to the PLO, and the extent of Palestinian dependency on the Soviets. Generally speaking, he discerns a well thought out and superbly calculated Soviet strategy in its recent Middle Eastern plays. Hence his critical view of "all the premature rejoicing in Israel over Moscow's moves, without any attempt at grasping the real intentions behind their operational methods. From where I sit, it looks as if the Soviets are closely following the pattern of their programmed policy."

It is crystal clear that the Soviets will never let go of a major bargaining card and influential instrument such as the PLO. The organization's usefulness extends far beyond the Middle East arena; as a national

liberation organization it plays a role in the Third World that serves Soviet interests well. As to the conflict between Assad's Syria and Arafat's PLO, the Arabist refers to Soviet efforts at bringing about a rapprochement between them by exploiting their common dependency on the Soviet Union.

There are other implications of the increased interaction between Israeli Arabs and their brethren in the territories, 20 years since the latter came under Israeli control.

Reches is gratified that other experts have come round to his perception of the "Palestinization" factor. The most notable event highlighting this process was the attempted journey to Amman in 1984 by Labour's Arab MK Abdel Wahab Darousha, to attend the PNC meeting. The MK from Iksal in Galilee spoke of assuming an active mediating role, something that no Israeli Arab MK had done before.

Another example of this trend, says Reches, is that the Nazareth newspaper *Al-Sabeer* has increasingly expanded its coverage of the territories. Lately it hired as special editor for these affairs, Daoud Kuttab, an East Jerusalemite who is managing editor of the English-language weekly edition of the PLO-oriented newspaper *Al Fajr*.

A MOST significant development in the past decade has been the increasing role played by the religious connection. This was given dramatic illustration a week ago by the sudden intervention of the Mufti of Jerusalem Sa'ad el-Din el-Alami in the struggle of the Negev Beduin and in the issue of prayer services in the old mosque in Beersheba, which for decades has been a city museum. The mufti has previously intervened in the problems surrounding the Hassan Bek mosque in Jaffa.

While the Mufti of Jerusalem is the most senior Islamic authority in the territories, it should never be forgotten, says Reches, that he is subject to the Ministry of (Awkaf) Religious Trusts in Amman. The political overtones are obvious. Reches discerns in the mufti's heightened activity an integral part of his drive to extend his religious jurisdiction over Israel's Moslems as well—an effort which has encountered no resistance on their part, he notes.

This brought us to the issue of

Islam on the march throughout the Moslem community on both sides of the Green Line. His research confirms the extent to which Islamic fundamentalism has spread, together with the widespread phenomenon of a return to Islam—another result of interaction across the Green Line.

"Today we can conclude that in Moslem society as a whole and among Israeli Arab society in particular Western philosophies and ideologies have failed to compete with the great force of Islam. It is not only a matter of religion, for Islam provides the cohesive bond of all Arab societies," the scholar explains. Reches provided an illuminating example from a field study conducted in the West Bank a few years ago: "A high proportion of the interviewees said they could not start their day without listening to tapes or records of the reading of the Koran, usually while shaving. And those interviewed were from the intelligentsia, not villagers."

He notes that the very fact that these men are not zealously religious provides yet another indication of how deeply rooted Islam is in their daily behaviour. Reches points out that the average Moslem will say "inshallah" in conversation as a matter of course a dozen times a day. In contrast, a Jew who says "b'ezrat ha'shem" (with the Almighty's help) a dozen times a day, is identified as belonging to a specific religious trend, which is not true for the Moslems. Furthermore, no Arab leader would think of concluding a speech without a reference to Allah.

HOW DOES the rapprochement between the PLO and the Communists fit in with Islam on the march? The Arabist notes that there have been very serious confrontations in the past between Islam and the Communists, resulting in fatal casualties. However, he notes, the Communists understood some time ago that they have to persuade the Arab public that Communist ideology is not in conflict with religious faith. Indeed, in recent years, the Communists have been devoting considerable energy to demonstrating the compatibility of Marxism and Islam: Communist writers produce articles highlighting shared concepts such as egalitarianism. On a practical political level, Rakah has taken up the

role of defender of Islamic religious sites and properties in Israel. This included the struggle for releasing Waqf properties, relieving Moslem assets and campaigning for Islamic clerical status.

He reports on the widespread response throughout Israeli Arab society to fundamentalist pressures to apply the laws of Islam. Parents are more amenable to insisting on their daughters dressing according to traditional concepts of modesty. The fight against alcohol has been taken up in numerous communities as a joint effort of the local municipal authority and religious circles. The fundamentalists have also managed to collect considerable amounts of money under the heading of charity, as Zakat is one of the five pillars of Islam.

Where does the Jewish State stand vis à vis Islam on the march? The scholar explains that the fundamentalist credo calls for the establishment of an Islamic society based on the laws of Islam. However, there is a distinction between long-term aims and immediate targets, which permits them to avoid getting themselves into trouble by making dangerous political statements.

Reconciliation with the Jewish State a viable prospect? "Unquestionably, they will tell you that the fact of their living in a Jewish state and not openly seeking its disbandment is definite proof that they have accepted its existence. Of course, again there is the distinction between short-term tactics and long-term strategy, because it is apparent to all of them that destroying Israel is an unattainable goal—although I was once told by a prominent Arab nationalist 'We will defeat you in the maternity hospitals.'"

"True, Arafat has made things difficult for them by once again talking about 'being ready to discuss a joint state with some of the Jewish immigrants.'"

Yet, the Dayan Centre researcher, did not wish to leave the impression that the Israeli Arab community had become uniformly militant. "The main body of the population are too busy raising families and making a living to be interested in politics. They try to find their place in Israeli society and don't sing the PLO hymn all day long. They are in a state of confusion, seeking a way to integrate into our society," he says.

Information Centre Independence Day Events Committee

Remembrance Day for the Fallen of Israel

and Independence Day 1987—39th Anniversary of the State of Israel

MAIN CEREMONIES AND EVENTS

Remembrance Day eve, Saturday evening, May 2

9:30 p.m. One minute siren throughout Israel
9:30 p.m. Memorial ceremonies at military cemeteries and at memorial sites, with the participation of bereaved families, Yad Labanin representatives, ministers, Knesset Members, rabbis, IDF representatives and others.

Remembrance Day and Eve of Independence Day, Sun., May 3, 1987

11 a.m. Sirens sound for two minutes' silence throughout the country.
11 a.m. Memorial ceremonies at military cemeteries and at memorial sites, with the participation of bereaved families, Yad Labanin representatives, ministers, Knesset Members, rabbis, IDF representatives and others.
12 noon Knesset Speakers' House, Reception for 12 Torch Lighters by Knesset Speakers, Shlomo Hillel, and presentation of 1987 Independence Day Coin to the Torch Lighters.
7:45 p.m. Jerusalem, Mt. Herzl, Torch Lighting ceremony to mark conclusion of Remembrance Day for Israel's Fallen and opening of Independence Day celebrations, with participation of Knesset Speaker, Shlomo Hillel.

8 p.m.—12 midnight Elat, Naval base open to the public.
8:50 p.m. President Chaim Herzog will broadcast his Independence Day message on radio and television.
9 p.m. Opening of Independence Day ceremonies throughout the country.
9:30 p.m. Independence Day message by Prime Minister Yitzhak Shamir on television.

Independence Day, Monday, May 4

7:30—9:30 a.m. Ramat Hagolan, opening of Golan March (details in afternoon press).
8 a.m. Festive prayers at synagogues throughout the country.

8 a.m.—12 midnight Celebrations and events in all local authority areas: processions of dancers, community singing and dancing, drama presentations, exhibitions, stage entertainment, festivals, sports contests, quizzes, etc.

8:30 a.m.—5 p.m. Lod, Ben-Gurion International Airport, first aerobatics exhibition in Israel to mark 50 years of Israeli aviation, under patronage of Minister of Transportation, Balam, Centre (entrance to public only until 1 p.m. (details in afternoon press)).

9 a.m.—2 p.m. IDF camps, Ministry of Defence plants, IDF equipment compounds and IDF museums open for visits by the public (details in afternoon press).

9 a.m.—2 p.m. Rafted (Israel Arms Development Authority) exhibition at Hatzor Haglit (details in afternoon press).

9 a.m.—2 p.m. Photo Exhibitions: 50 Years of the Israel Philharmonic Orchestra, Tel Aviv, Mann Auditorium (details in afternoon press).

9 a.m.—2 p.m. Exhibit Bezael 1935-1950, Artists' House, marking Bezael's 80th anniversary, 17 Shmuel Hanagid St., Jerusalem.

10 a.m.—4 p.m. Open House—Backstage Visits to Habashat at Habashat Theatre, Tel Aviv (details in afternoon press).

10 a.m.—4 p.m. Art events in Jerusalem: environmental sculpture fair, jazz marathon, art at the Khan and Jerusalem Theatre, Israel Museum and Islamic Art Institute (details in afternoon press).

From 10 a.m. Art Events in Tel Aviv: tour with architects, literary events at Beit Hasefer, art exhibitions and museums (details in afternoon press).

From 9 a.m. Art Events in Haifa: theatre performance in museum, literary event at Beitinu, Haifa artists' exhibit at museums (details in afternoon press).

From 9 a.m. Art at the Local Authorities: local artists' exhibitions, art museums, archaeological museums and history of Jewish settlement, family sports activities, parks, camping sites, national parks, nature reserves, Nature Reserves Society and Jewish National Fund sites throughout the country and opening of excursions to nature sites (details in afternoon press).

11 a.m. Reception for Outstanding Soldiers at President's Residence, Jerusalem.

12 noon World Jewish Youth Bible Quiz, Jerusalem Theatre, with the participation of Prime Minister Yitzhak Shamir, Knesset Speaker Shlomo Hillel and Deputy Prime Minister and Minister of Education and Culture, Yitzhak Navon. Televised broadcast.

5 p.m. Reception for the Diplomatic Corps, President's Residence, Jerusalem.

6 p.m. Jerusalem Theatre, Distribution of Israel Prize awards, in the presence of President Chaim Herzog and with the participation of Prime Minister Yitzhak Shamir, Knesset Speaker Shlomo Hillel, President of the Supreme Court, Meir Shamgar, Deputy Prime Minister and Minister of Education and Culture, Yitzhak Navon and Mayor of Jerusalem, Teddy Kollek. Televised broadcast.

8 p.m. Ramat Gan stadium, Opening Celebrations of Hapoel International Sports Festival, in the presence of President Chaim Herzog, ministers, Knesset Members and distinguished guests from Israel and abroad. Televised broadcast.

The Information Centre wishes all the citizens of Israel a happy, enjoyable Independence Day

0599-15-00

It's Going to be Great Fun in Tel Aviv on INDEPENDENCE DAY 1987!

All events on the eve of Independence Day, Sunday, May 3, 1987, commence at 9 p.m.

Tel Aviv-Yafo Municipality Education, Youth and Cultural Authority

KIKAR MALCHEI YISRAEL
★ Yehoram Gaon ★ Shalom 87, directed by Gavri Levy ★ Mass dancing with Mishel Barzilai, and fireworks, fireworks, fireworks! (at 10 p.m.)

DIZENGOFF MIDRACHOV
(from Sderot Ben Gurion to Dizengoff Circle)
★ Folklore and music ★ Indian and Persian folklore groups ★ Aliza Aviv and her Orchestra ★ Violinist Mirel Resnick and his group ★ The Jazz of Albert Piamenta ★ 2 Minutes to Midnight ★ Jazz mix ★ Dancing with Yisrael Schickler.

KIKAR NAMIR
★ Rock and Disco—hosted by Avi Elgar ★ The Poplex Group ★ Harela Barr ★ The Tango Group.

DENVER BOOTS WILL BE USED ON INDEPENDENCE DAY
The Tel Aviv-Yafo Municipality advises:
★ Come into town by public transport. Park your car at such parking lots as the Northern Railway Station, Reading, Herbert Samuel (opposite Beit Gidol) and in the Dolphinarium area.
★ The Municipality asks you to befriend your homes for Independence Day.
★ The Ya'acov Agam sculpture on Dizengoff Circle will not operate on the eve of Independence Day.
★ WARNING: The Municipality and the Police will confiscate bottles of spray-foam and steps will be taken against those selling and using this foam.



State of Israel

REMEMBRANCE DAY FOR THE FALLEN OF ISRAEL

On this day, the People of Israel remember those who fell.

Sirens will sound across the country, on Saturday night, May 2, at 9:30 p.m. At that time, we ask every household in Israel to light

A Candle in Memory of their Heroism

Sirens for Silence will sound on Sunday, May 3, at 11:00 a.m.

at the start of national remembrance ceremonies at military cemeteries, and memorial services at cemeteries in which the fallen of Israel's wars are buried.

Ministry of Defence—Rehabilitation Branch Department for the Perpetuation of the Memory of the Fallen

Arieh Eilan suggests there would be little to stop the Russian divisions if the U.S. and Soviet Union agree on the limitation of nuclear arms. He quotes an American general as saying that if the U.S. were called upon to prevent an actual Soviet move into the Middle East it might not go as smoothly as in exercises in California

How Big Two arms talks could affect the M.E.

THE U.S. and the Soviet Union are presently engaged in intensive arms control negotiations. No other subject so totally determines the relations between the two superpowers. In comparison, other topics — the sale of grain, human rights and Afghanistan — are only of secondary importance.

The Israeli media pay only perfunctory attention to these negotiations. This is understandable, for we have more than enough on our minds. Yet the arms negotiations in Geneva should merit closer attention on our part because what is at stake is not the presence or absence of this or that kind of nuclear weapons system, but the degree of American involvement in the defense of Europe. For a U.S. decision to reduce gradually its participation in NATO would have a dramatic effect on the balance of power in the Middle East.

The time may have come for Israelis to remember that the Sixth Fleet is plying the waters of the Mediterranean not to defend Israel against Russian encroachments but to protect NATO's southern flank. But what happens if there is no NATO or a greatly weakened NATO? However remote the possibility of an American withdrawal from Europe, this has been the subject of much speculation on both sides of the Atlantic and at times, it has been more than mere speculation.

In 1984, Senator Sam Nunn of Georgia introduced an amendment to the Defense Appropriations Bill to provide for the "reduction of U.S. forces in other NATO countries." The amendment failed by a narrow margin. Nevertheless it was supported by many senators, both Republicans and Democrats.

In introducing his amendment, Senator Nunn said: "...if we do not have allies that are going to do their part, there is no need for the American taxpayer to continue spending billions and billions. We do not have to spend \$170 billion a year for those forces to be there. That is what we are spending, \$170 billion on NATO alone."

Leonard Sullivan, former U.S. assistant secretary of defense, published an article in *The International Herald Tribune* last November entitled: "Washington spends too much on European defense." Sullivan put

it like this: "They (the Europeans) contribute an average of only 4 per cent of their GNP for their defence. The original Reagan plan, which cost 7.5 per cent of the American GNP on a permanent basis, was intended partly to ensure U.S. contribution to... the defence of Western Europe and Korea. Congress and the electorate now appear to have rejected the notion of providing that defence with borrowed money...Europe still wants subject assurance that America will blow itself and the Soviets away in response to a Soviet intrusion into Europe."

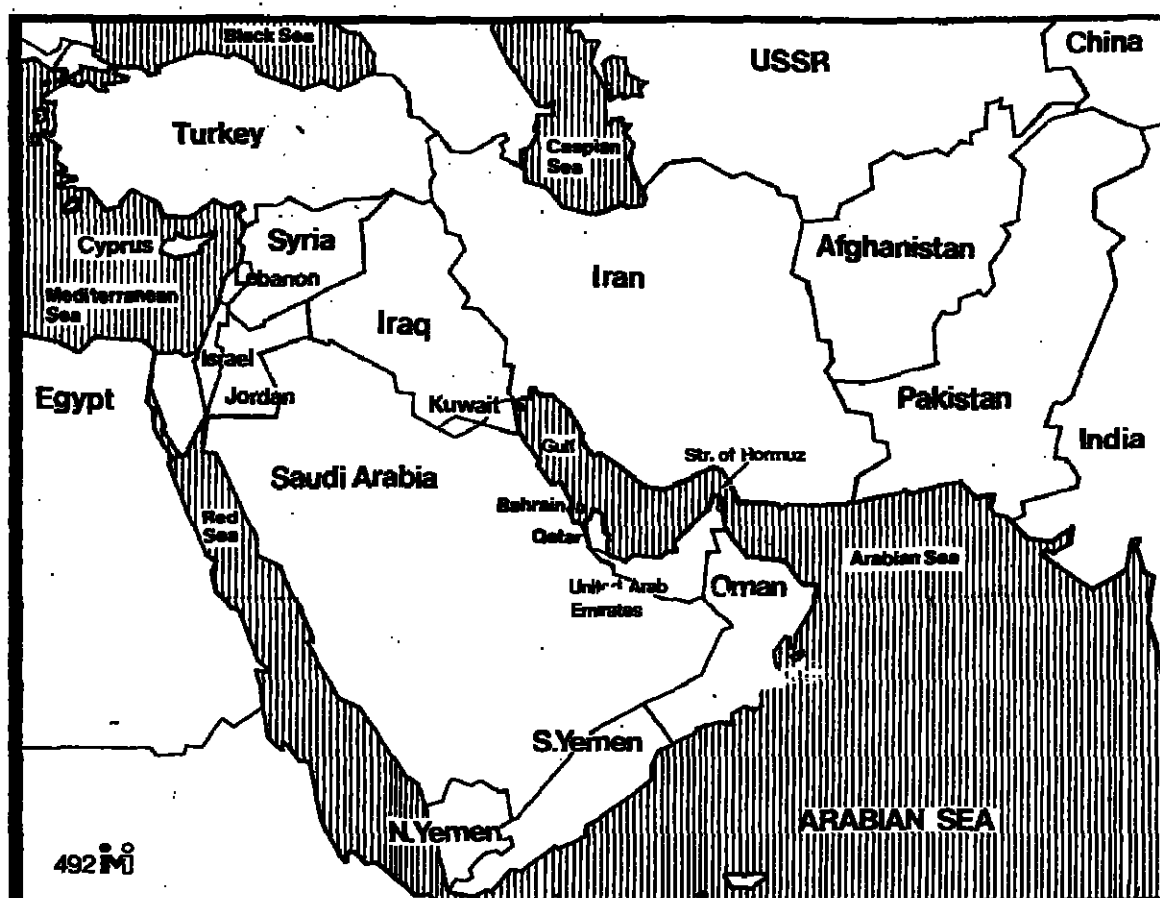
William Pfaff, a liberal news commentator writing for *The Los Angeles Times* (Feb 17 1987) warns: "Europeans are only now confronting the fact that there are serious people in the U.S. Congress prepared to see American troop strength sharply reduced or withdrawn."

Anti-Americanism has also become politically institutionalized. Both the British Labour Party and the German Social Democrats have moved far away from their "Atlanticism" of the '60s. Whoever is president of the U.S. after Reagan will have to face the possibility that should one or both of these parties come to power in the late '80s or early '90s, NATO would be severely weakened — even if they don't fully live up to their election promises. This would cause a furious backlash in Congress. Nor is the future of American bases in Spain and Greece particularly rosy.

Reluctance over 'world's cop' role

As it is, many influential Americans of both parties are asking themselves today why the U.S. should spend 80 per cent of its budget deficit to support an American presence in countries where they are not welcome.

There is also another factor. Ever since the Korean War, the Americans have burned their fingers rather badly in military interventions abroad. Vietnam, their attempts to free the hostages in Iran, the murder of the Marines in Lebanon and the failure of the Contras in Nicaragua have all combined to create an



atmosphere where the popular question is raised: "Why do we have to play the part of the world's cop?" American neo-isolationism is fairly prevalent in Congress today, though the administration has shown no signs of diluting Ronald Reagan's outreach "globalism." Nobody talks these days of "Fortress America" as did the isolationists of old; non-interventionism is the more acceptable label. Many Democrats and some Republicans, while denying any "isolationist" tendencies, are bowing to the inevitable pressures of America's economic reality and would probably vote for a reduction of U.S. forces in Europe.

ENTER GORBACHEV and the deal he was offering Reagan at Reykjavik. It was tailored to suit the new American mood. The gist of Gorbachev's proposals was the de-nuclearization of Europe, apart from tactical nuclear weapons such as nuclear artillery. In so doing, he abandoned some previously strongly held Soviet positions such as the zero option regarding Intermediate Missile Forces which was first proposed by Reagan in 1981 and rejected by the Russians. Then, the Russians insisted that the British and French independent nuclear arsenals be included in the deal.

Gorbachev not only de-linked British and French nuclear weapons from his proposal but also agreed on verification procedures for the destruction of the Russian SS 20s and the American Pershing II and the Cruise Missiles. He even showed some flexibility on his demand that the de-nuclearization of Europe be made conditional on the strict adherence by the Americans to the ABM treaty of 1972 which could, in effect, confine Reagan's so-called Star Wars programme to the laboratory.

During Shultz's recent visit to Moscow, the Russians really went all out. They agreed to include their short-range missiles, the SS 21, 22 and 23 and Scuds (for which NATO has no counterpart), in the negotiations on the IMFs, thus removing the main objections of America's NATO allies to the U.S.-Soviet deal.

Why did Gorbachev do all this? His approach to domestic and foreign affairs is characterized by what the Russians call *razvov* (soborness of mind) and by a notable absence of the proverbial Russian paranoia. He sees the Soviet-American confrontation in Europe for what it really is — a crushing 3-1 superiority of the Red Army over NATO in conventional weaponry. In addition, there is a Soviet advantage in IMFs (810 warheads against NATO's 572) and an absolute superiority in short-range missiles.

WITH A budget deficit of almost \$200 billion, and with a \$120 billion trade deficit, the U.S. can ill afford the \$170 billion it costs to maintain its military presence in Europe. But there is more than money to it. The anti-Americanism that swept Europe during the years of the Vietnam War has become the accepted norm in much of the European media. Anyone listening to the BBC World Service after the U.S. intervention in Grenada or the bombing of Libya would be forgiven if he thought that he was hearing an unusually urbane rendition of Radio Moscow in English.

Gorbachev knows that the Soviets cannot use their nuclear weapons because, despite their numerical superiority, they use

would expose Russia to the risk of suffering what is called "unacceptable damage." It would surely make more sense to propose to the Americans a mutual scrapping of weapons that neither side could use and in consequence threaten Europe with the Russian superiority in conventional weapons that can be used.

Politically, it is a move worthy of a chess grandmaster. It will certainly strengthen the neutralistic trends in Western Europe and make it easier to attain the main aim of Soviet foreign policy — the decoupling of Europe from America.

In making his dramatic offer on arms control, Gorbachev was no doubt guided by his principal adviser on foreign affairs, Anatoly Dobrynin, presently director of the international department of the Central Committee and formerly the Soviet ambassador to Washington for over 20 years. Dobrynin understands the American scene better than any other Russian, and he must have briefed his boss on the growing anti-European and anti-NATO sentiment in Congress.

Superior armies of Warsaw Pact

Gorbachev fully understands that in their present mood, the Americans cannot be expected to keep 320,000 troops in Europe for very long, unprotected by the "flexible response" of the nuclear trip wire and facing the overwhelming superiority of the Warsaw Pact armies.

HOW DID the Europeans react to Gorbachev's proposal? They ran scared. A West German spokesman, Volker Ruehe put it quite simply: "To maintain our security we don't want a zero option...so long as the Warsaw Pact has a 3-1 superiority in conventional forces."

And Joseph Goldblat, an analyst of the neutralistic Stockholm International Peace Research Institute, remarked: "What we are seeing is not a European crisis of confidence in the Soviet Union but a crisis of confidence in the United States." Mr. Goldblat also reminded us that: "They (the Soviets) could remove all their nuclear weapons from Europe if they wished. They can strike European targets just as well from behind the Urals."

It must have dawned on the Europeans that the only time the atom bomb was ever used by a nuclear power, the U.S., against Japan that possessed no nuclear weapons. The implications of this to a Europe about to become denuclearized are painfully obvious.

How does this affect the Middle East? The borders of the Soviet Union can be divided into three sections: the border with Europe, the southern sector from Turkey through Iran to Afghanistan, and finally, the 5,000 kilometres of direct confrontation with the Chinese colossus. Israel is naturally concerned with the military situation along the Soviet Union's southern border.

According to a report in *The Jerusalem Post* (August 6, 1986) Pentagon analysts say that Soviet forces in the southern region, facing Iran and Turkey, have been reorganized from a defensive army into a major offensive force of some 384,000 men, 5,400 tanks, 5,600 artillery pieces, 9,000 armoured personnel carriers and 1,000 tactical jet aircraft.

What is there to stop the Russian divisions? In plain geographical

terms it can be said that one could drive a tank from Red Square in Moscow to the Gulf oil fields, but a tank starting for the Gulf from the Lincoln Memorial in Washington would have to cross thousands of kilometres of water.

U.S. General George Crist, who heads the 35,000 man American Central Command Force which is supposed to defend the Middle East oil fields, said last year that if the U.S. were called upon to prevent an actual Soviet move into the Middle East, things might not go so smoothly as they do in exercises in Southern California's Mojave Desert. And a Pentagon analyst remarked that faced with an inevitable defeat of U.S. forces, Washington would have to decide whether to use nuclear weapons.

EVEN WITH a strong NATO possessing a nuclear capability, it is very doubtful whether the U.S. would risk a nuclear conflagration to protect the Middle East. But with a defenceless and de-nuclearized Europe including Turkey, Russia would have little to worry about should it decide to move into the Gulf.

Sometimes power has a way of projecting itself without having to be actually employed. Once Europe becomes "nuclear naked" and America's role in NATO only symbolic, Russian troops need not advance an inch to wield their power; most states in the Middle East will hasten to draw the necessary political conclusions.

What will Israel do? Are the present Soviet-American negotiations about a nuclear-free Europe giving us a signal that the U.S. may be on its way to leaving us to our own devices? Or if this is not the case, will Israel become an isolated outpost of pro-American power rather than part of an interlocking strategic system?

The writer, a former diplomat, represented Israel at the disarmament committee of the UN General Assembly.

Haim Dvornin

The court's duty in dealing with indecent acts

IN SPITE of the fact that there are many males who condemn indecent acts against females and describe in flowery language the disgust and contempt such conduct arouses in them, with special emphasis on the resulting mental damage, I myself have always had an uneasy feeling that such language is only lip-service to the weak sector of the human race.

(I have had that feeling because I regret to say, not a few males are, consciously or unconsciously, intrinsically chauvinists, believing that woman's body was created in order to satisfy their wishes — or rather, their lusts — and that even women themselves share that belief and look forward to being used thus.)

This way of thinking may explain why, at intimate social gatherings, the phenomenon of indecent acts against females is so often the central topic of conversation, giving birth to bawdy jokes and lewd language to which the women present apparently contribute their share.

SPEAKING WITH the experience of many years on the bench, I am of the opinion that severe sentences should be imposed by the courts for attacks on women, particularly when these are accompanied by indecent acts. I say this especially because I am one of those who believe that severe sentences, in appropriate cases, have a deterrent effect.

In this connection, I allow myself to relate an exceptional occurrence — exceptional, at least, from the point of view of the punishment imposed by the court on the two criminals brought before it on a charge of rape. It happened in 1965, in Beersheba, and I was one of the three judges before whom the case was heard.

These were the relevant facts that were proved to us:

An American girl came to Israel for a visit. In the course of her tour she arrived one evening in Beersheba. She had her supper in a restaurant. When she had finished, she spoke to two young men (one of them married and a father) who were sitting at an adjoining table, and explained to them, in English, that this was her first visit to Israel and that Beersheba was completely unfamiliar to her. She also said that she would be grateful if they would guide her to a local hotel, where she could sleep overnight. The two "gentlemen" told her kindly, in their poor English, that they would be glad to help her.

They took her, in a car they had waiting outside, to a deserted hut in the quarter where they lived, and there they ruthlessly and brutally raped her one after the other, until the early hours of the morning.

Their counsel contended that the

girl consented to have intercourse with them, but we — the judges — rejected such a plea with disgust.

To this day I remember with feelings of deep distress the girl's shocking description of the dreadful things done to her. She — a beautiful girl — stood in front of us on the witness stand, her face tortured and aching from the shame and nightmare.

We, the judges, sentenced each of these ferocious beasts to imprisonment for a period of 12 years (the maximum penalty for such an offence at that time was 14 years' imprisonment). All the media praised us for doing so because until then, the courts had been used to pass for such offences, sentences which were if I may be allowed so to describe them, almost ridiculous.

The Supreme Court dismissed an appeal against our sentence and remarked that even if we had seen fit to appeal against our sentence.

Regrettably, unusual measures and steps are soon forgotten and so, not long after this case, the courts reverted to imposing, for similar offences (rape and the like), punishments of which the least that can be said is that they were far from appropriate.

I CANNOT conclude without referring to a certain episode connected with the American girl whose case I have related.

Not long afterwards, my eldest son went to New York. When he returned to Israel, he told me that one evening he was present at a party and happened to dance with a beautiful girl.

When he told her that his family name was Dvornin, she asked him if his father was a judge in Beersheba, to which he replied in the affirmative. Thereupon she asked him to tell me that she thanked me. He did not understand what she was thanking me for, but he did not enquire.

I told him of the whole affair and of the sentence passed by us on the two scoundrels. I said I understood that the girl intended to convey, through him, her thanks to the three judges for having dealt harshly with her assailants.

Since then a great deal has happened in the field of crime in Israel. Among other things, the maximum penalty for rape has been raised to imprisonment for 20 years, and there are judges who treat such offences more harshly than others.

But all in all, to my mind the scale, still tends towards leniency. I personally much regret this state of affairs, especially taking into account the great number of brutal attacks that are committed these days against females of all ages.

The writer is a former vice-president of the Tel Aviv District Court.

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Tel Aviv-Yafo Municipality

Education, Youth and Culture Administration

Remembrance Day Assembly

for the Fallen of Israel's Wars will take place at the Habimah Theatre on Saturday, May 2, at 6:30 p.m. In the presence of — Deputy Premier and Minister of Foreign Affairs, SHIMON PERES

City Council Member YITZHAK ARTZI MK

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The Municipal Ceremony of Lighting a Memorial Light and Wreath Laying

will take place in the presence of Deputy Mayor Metan Weisach at Beit Yed Labanin at 8:30 p.m.

PEOPLE KEEP asking how long this loveless marriage between Prime Minister Yitzhak Shamir's Likud and Vice-Premier and Foreign Minister Shimon Peres's Labour Alignment can go on. It reminds me of those warring couples who stay together because of their joint property.

EVERYONE is wondering what our eternally optimistic foreign minister is hiding up his sleeve over the international peace confab. They're so mystified, they're talking in terms of card tricks, but it's unclear whether he's playing patience, poker or with Tarot cards. Or whether the joker in the pack looks like King Hussein.

The Likud got so worked up they even dispatched Minister without Portfolio Moshe Arens across the Atlantic to sound out his fellow MIT alumnus, U.S. Secretary of State George Shultz, under the cover of a "George junkie" - officially known as a speaking tour sponsored by Israel Bonds president Yehuda (George) Halevy.

Wonder why the Likudniks got so agitated over coalition executive chairman Rafi Edri's presence in Washington. His lack of English must have severely limited his lobbying possibilities on Capitol Hill. He lunched with Shultz's deputy, Richard Murphy, with whom he speaks French, as I learned from Alignment Knesset faction media councillor Omri Marian. He says that Edri's schedule was planned months ago by his American hosts and had no specific political purpose.

The headlines may scream about stormy weather, yet Shamir and Peres seem to keep their government vessel on an even keel. Thus they spent most of Sunday in each other's company. At 8 a.m., they discussed university tuition together with Deputy Premier and Education Minister Yitzhak Navon for 50 minutes.

The remaining 10 minutes until the 9 a.m. cabinet meeting was taken up by Peres's complaint about Arens's unannounced session with Shultz, with Shamir trying to soothe him with "there's nothing out of the ordinary for Arens to see such an old friend when visiting Washington." Then four hours at the cabinet table discussing government business.

After the lunch break, they met again at 4 p.m. for a two-hour meeting with northern border settlement leaders, along with such colleagues as Defence Minister Yitzhak Rabin, Trade and Industry Minister Ariel Sharon and Economics and Planning Minister Gad Ya'acobi.

STRONG PRESSURE is being exerted on Energy Minister Moshe Shahal from Hevrat Ovdim sources to drop his plan to reform the fuel cartel. Ministry sources talk of Bank Hapoalim controlling 60 per cent of Delek and Soneq, with a smaller stake in Enkavim, 45 per cent of which is state-owned. Shahal is quoted as complaining that "whenever the price of toilet paper goes up, they submit the bill to our ministry." The minister, who wants to open a competing company, is angry with Paz for jointly retaining Jerusalem lawyer Michael Heshin's services with the two other companies. The betting is that Paz chairman Eitan Rauf's term will not be extended when it expires in July.

FRIENDS OF the premier's popular political advisor Arye Mekeel celebrated his 41st birthday this week. They congratulated the old Kol Israel staffer for his appearance on TV's *Report on the Exodus from Egypt* as the correspondent covering pharaoh's palace.

THE GOVERNMENT was represented by acting Interior Minister Ronnie Milo and health Minister Shoshana Arbeli-Almoslino at the

Poker faces and card tricks

PUBLIC FACES
Mark Segal



SHOSHANA ARBELI-ALMOSLINO



MOSHE SHAHAL

garden party given in honour of Queen Elizabeth's birthday by British Ambassador William Squire and his wife, Sara. As it was held at noon, the others couldn't get away. The croquet mallets and hoops gave an Edwardian touch to the Ramat Gan garden.

There was a broad range of guests from Discount Investment's Benno Gitter, Chamber of Commerce president Dan Gillerman, Deputy Knesset Speaker Dov Ben-Meir, MK Uzi Landau to Foreign Ministry Director-General Abraham Tamir, Druse leader Sheikh Kamal Tarif, Unifil commander Irish General William Callaghan and Israel, Britain and Commonwealth Association chairman John Furman. As usual U.S. Ambassador Thomas Pickering towered over the diplomatic contingent.

Weizmann Institute Prof. David Samuel - for this occasion the third Baron Samuel of Liverpool and Carmel - told me he's off to the U.S. to finalize the licensing of his research team's wonder drug AL721 for alleviating AIDS patients' suffering. Also there were World WIZO president Raya Jaglom and Na'amat Tel Aviv's head Ada Ravon, who recalls attending the 1976 farewell party for

our hostess, then embassy political secretary Sara Hutchison, with actor Sir John Gielgud as another guest.

The film and stage star is coming here again shortly for Cannon's \$6m. film production of Agatha Christie's *Appointment With Death* along with Peter Ustinov and Lauren Bacall, as I heard from another guest at the reception, British film producer and director, Michael Winner, who's making the movie. He's famous for such sayings as "Who says actors are cattle, show me a cow that earns \$10 million a movie."

ONE OF the most influential group of American VIPs ever to visit Israel was here this week, after meeting President Hosni Mubarak in Cairo and King Hussein in Amman. Belonging to the Council of Foreign Relations of New York, led by Democratic Party power-broker Robert Strauss, they included *Washington Post* and *Newsweek* owner Katherine Graham, and Very Big Business in the persons of Dwayne Andreas, one of the world's biggest grain dealers, A.T. & T. (Europe, Africa and Middle East) president Robert Dalziel, Xerox president David Kearns, Heinz president Anthony O'Reilly and Pamela Harriman, widow of diplomat and New York Governor Averell Harriman.

They met our ruling troika, as well as Ya'acobi, Abba Eban and David Kimche, were guided across the land by Foreign Ministry's North American Division deputy director Judy Zarai-Dranger, and were charmed by Jerusalem Mayor Teddy Kollek. As they were leaving his office Teddy asked: "Well, what are you going to do for me?" Strauss: "What do you have in mind?" Teddy: "A park in memory of Averell Harriman." Strauss: "It's a good idea."

Full credit is given to Vera Golovenskaya, who ran our New York consulate-general for the past eight years, for persuading the prestigious council to visit Israel and then arranging their schedule. It was her "swan song," before coming on aliyah in June with her lawyer husband, Joel and their two daughters to the home they bought in Jerusalem. I gather she's going to work in the private sector.

THE UNIQUE honour of Commander of the Royal Order was bestowed on U.S. Sephardi leader, Casablanca-born Lilian Shalom (wife of new UJA leader Steve Shalom), by Morocco's new Ambassador to the U.S. Mohammed Bargach. The award was presented at a party held at the ambassador's house, attended by 150 guests. Foreign Minister Peres lauded Mrs. Shalom in cabled greetings. He congratulated her as a "spirited emissary of warmth, friendship and wisdom" in pursuing "the betterment of relations between your three loves - the United States, Morocco and Israel."

OUTGOING ambassador to Madrid Shmuel Hadas had a nice welcome home gift - an award from *Ma'ariv* for being an outstanding worker at the Foreign Ministry. This came after his farewell "present" from King Juan Carlos who bestowed on him the Order of Civil Merit, First Class in a ceremony at the royal palace, at the end of his five-year stay in Spain. One result of Hadas's mission is the impending arrival here of Catalan Prime Minister Jordi Pujol at the head of a delegation of 35 top businessmen.

AFTER two-and-a-half years' voluntary work at Bahai world headquarters in Haifa, Mary Jane Langrell is returning to the U.S. at the request of her favourite niece actress Joanne Woodward, to assist her super-star hubby Paul Newman turn out his autobiography. She says: "He wants to write it before anyone else does." Langrell says Newman's father was Jewish and his mother was a Christian Scientist. She is joining them at their home in Connecticut. Her good friends here are the Newmans' Israeli pals Azarya Rapaport and his wife Ruth.

EDITOR Uri Avnery of *Ha'olam Hazeh* celebrated the magazine's 50th anniversary with a big party at the Cinemas. Best wishes have been coming in from all quarters. Even political opponents recognize the three-times M.K.-publisher's qualities as a fine journalist and a fearless crusader.

When martyrdom is wrong

The portions read this week are
Ahrei-Kedoshim (Leviticus 16:1-20:27).

TWO STORIES and several post-scriptal remarks. The first story takes us back more than 21 centuries ago, the second "only" 1,900 years ago. The theme with which both stories deal is still very much alive and debated to this day.

The first story is from 1 Mac-cabees, chapter 2.

"At that time, many who wanted to maintain their religion and law, went down to the wilds to live there. They took their children, their wives, and their cattle with them, for their miseries were more than they could bear. Word soon reached the king's [Antiochus] officers and the forces in Jerusalem, the city of David, that men who had defied the king's order had gone down into hiding-places in the wilds. A large body of men went quickly after them, caught up with them and occupied positions opposite. They prepared to attack them on the Sabbath."

"There is still time," they shouted, "come out, obey the king's command, and your lives will be spared."

"We will not come out," the Jews replied, "we will not obey the king's command or profane the Sabbath."

Without more ado the attack was launched; but the Israelites did nothing to reply; they neither hurled stones nor barricaded their caves.

"Let us all meet death with a clear conscience," they said, "we call heaven and earth to testify that there is no justice in this slaughter."

So they were attacked and massacred on the Sabbath, men women and children, up to a thousand in all, and their cattle with them.

And the story continues: Great was the grief of Mattathias and his friends when they heard the news. They said to one another, "If we all do as our brothers have done, if we refuse to fight the gentiles for our lives as well as for our laws and customs, then they will soon wipe us off the face of the earth."

That day they decided that if anyone came to fight against them on the Sabbath, they would fight back, rather than all die as their brothers in the caves had

TORA TODAY
Pinhas H. Peli

done.

This was the first time in recorded history that we encounter the principle that when the threat is both to "our lives as well as to our laws," the preservation of life overrides the observance of the laws. In the conflict between two values, the value of life and the value of the holy Sabbath, life took precedence.

ABOUT 250 YEARS later, another story. It is a story about three famous rabbis and two of their younger comrades (recorded in Mekilta, ed. Lauterbach, III, p. 197):

R' Ishmael, R' Akiba and R' Elazar ben Azariah were once walking along the road with Levi ha-Saddar (the netmaker?) with R' Ishmael, son of R' Elazar b. Azariah, following them. Then this question was asked of them: Whence do we know that in the case of danger to human life, the laws of Sabbath are suspended? In response to the question, each one of the rabbis present came up with a legal point derived in typical rabbinic fashion from the text of the Bible.

In the talmudic source (TB Yoma 85a) where the above story is quoted, it is followed by a number of postscriptal additions quoting various rabbis who lived in the centuries following the times of R' Ishmael and R' Akiba. All of them offer answers to the same question which seemed to have been re-appearing again and again. Why should the Sabbath be suspended when human life is in danger? R' Jonathan b. Joseph cites the verse (Exodus 31:14) "For it [the Sabbath] is holy unto you" and interprets it: The Sabbath is given into your hands and not you in the hands of the Sabbath! Another rabbi, R' Simon ben Menassia said, "And the children of Israel shall keep the Sabbath"; the Tora suggests that it is proper to desecrate one Sabbath to save a person's life, so that he may eventually keep many Sabbaths. A simple mathematical advantage.

The discourse ends with the fol-

lowing statement, most likely added many decades later: R' Judah said in the name of Samuel: If I had been there, I should have told them something better than what they have said, [I would have quoted the verse from Tora, "You shall keep my statutes and my ordinances, which if a person does] he shall live by them" (Leviticus 18:5); live by them and not die because of them.

Again, about 200 years later, Rabina says (ibid., Yoma 85b) that the last statement in comparison to all other reasons given for the suspension of the Sabbath when there exists a danger of life is like "one corn of pepper, which is tastier than a whole basket of pumpkins..."

Ye-hai ba-hem, "and he shall live by them," and not die because of fulfilling the laws of Tora, became indeed a maxim for halachic legislation and yardstick for the enactment or suspension of many laws. When those seemed to contradict or endanger life, the ruling of ye-hai ba-hem was applied, and the law was suspended because of pikuah nefesh, "saving of life."

This rule, like all other rules, had its exceptions. Following the Bar Kochba revolt (circa 136 C.E.), a rabbinic conference was convened in hiding, in the attic of Beth Nitzah in Lydda, to deal with the problem of martyrdom: at that time thousands of Jews were ready to give up their lives rather than abrogate the laws of Tora, which they were forced to do by the Roman conquerors. Using this maxim of ye-hai ba-hem, that one must live by the laws of Tora, the rabbis voted that in regard to all laws, when one is forced to transgress them under threat of death, they must transgress and not die, with the exception of three: idolatry, murder and adultery. When forced to commit those, one must die and not transgress them (TB Sanhedrin 74a?)

This ruling became the standing practice in Jewish martyrdom during many centuries. When incorporating the laws of martyrdom in his Code (yesodei ha-tora, ch. 5), Maimonides postulates that if a person decides out of excess piety to sacrifice his life in order not to yield to enforced transgression of religious laws, other than the above three, he has thereby

committed a sin, rather than a praiseworthy act, having violated the command of ye-hai ba-hem, which gives to life itself and to its preservation the status of a supreme religious value.

THIS IDEA re-appears again in a most interesting new interpretation given in the most unusual circumstances to an old and well-known Judaic concept *Kidush Ha-Shem*, sanctification of the Name, was the concept used for many centuries to describe martyrdom. By demonstrating that there are three things in life which are more precious to the religious devotee than life itself and offering his life rather than his faith, the Name of God was sanctified. In April 1945, during the uprising of the Warsaw Ghetto, Rabbi Isaac Nissenbaum, one of the great rabbis in pre-war Poland, issued a statement calling on Jews to participate in the Ghetto uprising. He based his call on a new interpretation of the age old concept of *Kidush Ha-Shem*. Up until now, said Rabbi Nissenbaum, it meant, that when the enemy came to claim one's faith under the threat of life, one was supposed to offer his life rather than surrender his faith. Unqualified resistance to the enemy's demands was the core of *Kidush Ha-Shem*. Now the enemy does not demand our faith, but our life, and therefore *Kidush Ha-Shem* would mean unqualified resistance to his wishes, by fighting in every way possible to protect life itself. *Kidush Ha-Shem* is expressed now not in dying for God's sake, but in keeping alive for the sake of His Name.

It was then, during the uprising of the Warsaw Ghetto, when Jews declared "I shall not die, but live" and showed their readiness to fight for their lives, that the soon-to-be-established State of Israel came into being.

The protection of Jewish life against any aggressor who plots to take it away, was, and I believe, still is, not only the main raison d'etre of the Jewish State emerging in the wake of the Holocaust, but it also contains its most obvious religious significance.

Rabbi Peli is the Blechner Professor of Jewish thought and literature, Ben-Gurion University of the Negev.

Mix of monsters and heroes

THE PROGRAMMES between Martyrs' and Heroes' Remembrance Day and the night of Independence Day compress logically and vividly the most fateful events in Jewish history since the destruction of Jerusalem by Titus. Martyrs' Day made us share the trauma of helpless people being systematically exterminated by efficient monsters. On Saturday night we move to honouring the memory of those who fell in Israel's War of Independence, when we were still a nation under siege, though a nation able to organize in its own defence. Finally, we reach a high note of triumph with Independence Eve and Day. This is not only historically accurate, it is also dramatically correct, although it is emotionally draining and exhausting to have so many extremes of experience compressed into so short a time.

A human being, like an ant, is a social creature that becomes completely helpless when alone, and unable to organize his defence together with his fellows. That is why it is absolute nonsense for Jews to feel ashamed of the vast majority of the six million, who went to use the conventional phrase from Isaiah, like lambs to the slaughter. This implies that they should have resisted like lions. Because of this insane sense of shame, there is a tendency to concentrate on the heroes of the resistance as compensation for the alleged "cowardice" of the martyrs.

Nothing could be more absurd. Those who could get together to plan and act in unison, resisted; those, who could not, did what the Nazis forced them to do: The same thing happened, incidentally, to British and American POWs, trained fighting men, airman and soldiers

TELEREVIEW
Philip Gillon

decorated for bravery, so we should stop apologizing, once and for all, for those helpless Jews who kept their terrible rendezvous with destiny without fighting their oppressors.

These truths became manifest as we watched *Testimony*, the amazing documentary about Paula Weik-Kaufman, who left Vienna in 1938 and made her way to Holland. When the Nazis occupied Holland, she became a member of the Dutch underground; later, she moved to Paris, where she and other members of the Dutch resistance worked with the French underground.

Her achievements were stupendous. Eventually she even became secretary to a top Gestapo officer, and managed to obtain copies of secret underground headquarters plans for an emergency, as well as other valuable documents. She managed to get these through to a leader of the Dutch resistance in Holland, who passed them on to the Dutch government-in-exile in London. They were used to bomb the secret Gestapo headquarters with great accuracy.

Eventually she was betrayed by two British double agents, Charles and Lydia. She also mentioned, almost casually, Jews who worked for the Gestapo, and Jewish women given authority in the extermination camps, who made life "hell," as she put it, for the women prisoners. If we are to be ashamed of any human beings, it is of these traitors who turned against their fellows. But who knows how one would have reacted

if subjected to such terrible and unnatural pressures?

In very matter-of-fact tones, Ms. Weik-Kaufman described the horrifying tortures to which she was subjected. Then she, and the other members of the Dutch and French resistance who had been caught by the Gestapo, were moved from prison to prison and camp to camp. Their heroic exploits before their capture notwithstanding, they went meekly wherever the Germans sent them. What else could they have done?

Many of them survived, and appeared on the programme to explain how they had operated, forged documents and moved Jews and others out of danger to safety. I hope that young Israelis watched this programme, to get some clear insight into the true nature of courage.

EDUCATIONAL TELEVISION put on a special Remembrance Day programme, *Genocide*, which outlined and analysed anti-Semitism, culminating in the Holocaust. It was presented by Dr. Martin Gilbert, the historian, and was narrated by Orson Welles. It was horrifying to see not only man's inhumanity to man, but also how ingeniously and effectively men can plan the persecution and destruction of their fellow human beings.

A programme of particular interest to German Jews in Israel was *So Beloved Were We*, about German Jews who got out of Germany and settled in New York. They seemed to come under duress because they had been ardent German patriots before the Nazis came to power.

This kind of criticism seems to me to be as stupid as Professor Shlomo Avineri's accusation that the American Jews place their loyalty to the

U.S. above their loyalty to Israel, because they had the effrontery to object to Israel using the Pollards as spies. The objection doesn't make sense to me. Jews everywhere have been loyal to the countries in which they settle, given half a chance to do so, whether in Britain, Australia, Canada, South Africa or France. So why the German Jews should be singled out I cannot understand. The fact that their loyalty was so cruelly betrayed was no reason for them to be ashamed of it.

In passing, I, as an Israeli, object to the implication of Professor Avineri's thinking: "My country, right or wrong," as morose a doctrine as was ever expounded by a naval man. I was just as furious and ashamed about the Pollard affair as any American Jew. Does this mean that I have dual loyalties?

A FUNNY THING happened to me the other night on my way from the *Late News* to bed - I found myself in complete agreement with former minister of finance Yitzhak Moda'i about something he said. He was criticizing the current policy of sending emissaries abroad, from Prime Minister Yitzhak Shamir and Foreign Minister Shimon Peres down, to explain to the startled and bewildered leaders of the West the diametrically-opposed points of view held by members of the two main parties forming our coalition government.

As Moda'i said, they must have made us the laughing-stock of the world. It is not rare for members of a democratic cabinet to hold opposing views, but Moda'i was right that the general rule should be to fight the issue out internally and then go abroad with a policy.

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Mr. Gorbachev, when you read these lines, act immediately to release Raoul Wallenberg. If he dies in captivity it will be one of the worst crimes in history. In the new society you are building the freeing of Raoul Wallenberg must be a top priority.

* A full transcript of our contacts with Raoul Wallenberg is being sent to all heads of governments, to the United Nations and newspaper editors. RESCUE PUBLISHING COMPANY, POB 3576, JERUSALEM 03-525353



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ON THE AGENDA:

1. Reporting on the business of the Company for the fiscal year ended December 31, 1986 and receiving and considering the Company's Balance Sheet as at December 31, 1986, and the statement of operations for the fiscal year then ended.
2. Electing a board of directors of six members to serve until the next Annual General Meeting of Shareholders or until their respective successors are duly elected and shall qualify.
3. Appointing Kesselman and Kesselman as the independent public accountants of the Company for the fiscal year ending December 31, 1987.
4. Acting upon any other matters which may properly come before the Meeting or any adjournments thereof.

Shareholders entitled to participate at the Meeting are those who were registered as such in the Company's Book Records as of April 10, 1987. Shareholders entitled to attend and vote at the Meeting are entitled to appoint a proxy. The instrument appointing a proxy must be deposited at the registered office of the Company, Science-Based Industrial Park, Kiryat Weizmann, Ness Ziona, Israel, or American Stock Transfer Company, 99 Wall Street, New York, by May 10, 1987.

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Governor Bruno's way out of the doldrums

THE ISRAELI economy could be on its way out of the doldrums of one-and-a-half decades of economic stagnation and galloping inflation — if present trends in markets liberalization are pursued, and if the government encourages structural reforms in the economy, by continuing stressing fiscal restraint. This is the main point which Professor Michael Bruno, the Governor of the Bank of Israel, stressed during a recent interview with *The Jerusalem Post*.

Bruno's current mood is apparently optimistic. He believes in more deregulation of the money and capital markets, and in more decentralization in the money market. That, plus reduced government spending and lower taxes, should provide a firm basis of renewed economic growth.

But Bruno is not exactly a conservative in economic thinking. He is a firm believer in the kind of package deal accords signed between the Histadrut, the government and private employers, something economists call incomes policy.

He also believes that for the time being, Israel will fare better under the current policy of almost fixed exchange rates than under the system of constant devaluations. These two ideas are not acceptable to some more conservative economists who want a completely free market, including labour and foreign currency.

Bruno is not exactly a professor suddenly turned into a man of deeds. For much of his career, he has been connected with the decision-making process. During the sixties, he was involved with the central bank's research department. In the mid-Seventies, he served as an adviser to the Finance Minister Yehoshua Rabinowitz. He was part of the Ben Shabar commission which drafted the 1975 tax reforms and participated in the team that prepared the 1985 economic stabilization plan.

TWO YEARS of fiscal restraint have left their imprint on the economy, he says. Firms have been at least able to raise funds on the capital market at a reasonable long-term rate of interest, some 7 to 8 per cent. This was made possible by the relatively good fiscal performance. But he adds that there is much to be done. Government spending must be further cut.

The prime candidates for such cuts should be the big spenders, the Defence Ministry and social allowances and transfer payments. More user charges are required in the education and health services, he says.

Bruno rejects the voices in the army and the Defence Ministry calling for additional military spending. "There will be no economic growth without first ensuring that military spending at least does not increase its share of the gross national product," he said. In his view, increased government spending would result in continued economic stagnation.

The Defence Ministry and the army are undergoing the same process that affected other large bodies which after a rapid expansion were forced to apply the brakes and even to cut back. "The slash makes it imperative to redefine priorities, and this is no easy task," he says.

Bruno is adamant in giving his opinion on the Lavi. "If I am asked to give the cabinet my view on the issue during any future debate, I will do it," he says. But he adds that currently he doesn't have enough information about the possibility of calling the jet fighter project off.

A critical note is more than evident when Bruno speaks about the ways in which the decision to go ahead with the Lavi was taken. If the efforts invested in developing the

The Bank of Israel's head is optimistic about the economy. But it will mean some new thinking on wages, the money market, defence and public spending

Avi Temkin



Michael Bruno... the Histadrut should agree to a policy of no across-the-board increases for all workers. (Rabamim Israeli)

Lavi had been directed to other projects, more connected with expanding export potentialities, we now could have been witnessing the results. The export possibilities of the Lavi are limited.

Bruno rejects the criticism of his decision to increase the foreign currency allowance for travellers to \$2,000 and to liberalize part of the foreign currency restrictions. He also rejects the notion that politics or party considerations were involved in the decision. "The proposal to lift part of the restrictions came from the central bank," he says.

Bruno thinks less government intervention is needed in the ways firms and households operate. If imports are too cheap, then the price of foreign currency or the price of all imports should be raised. But the government should not try to influence how the public spends foreign currency, he says.

The governor admits that the Bank of Israel is planning further steps to liberalize foreign currency restrictions. These steps will mostly benefit the business sector. But he says that the government and the Bank of Israel will continue carefully watching balance of payments developments before making further decisions.

BRUNO disagrees with other critics of the central bank, like Justice Moshe Bejski, who claim that the Treasury and the bank have done

little to prepare for the implementation of the bank shares arrangement, which will start from October. Teams from the Bank of Israel have been engaged in intensive efforts to draft plans to reshape the capital market, and to prepare for the introduction of the arrangement. The main question that is still open is the question of ownership and voting rights, but he believes the Treasury and the central bank will be able to agree on a formula before the arrangement is due.

After October 1988, most of the bank shares will be in the hands of the government. This is not a healthy situation, he claims. The government will have to transfer the shares to the private sector, but he thinks this should be done gradually, since by selling all the shares at one time, the government would incur a greater loss. He concedes that this will also force the government and the central bank to come to grips with the question of voting rights, although in neither of these two issues is there a definite plan or answer.

Bruno admits that recently, the Bank of Israel has been running into some difficulties in attempting to exercise monetary control. The problem is that high interest rates and a pegged exchange rate have attracted large sums of foreign currency which have threatened to become a monetary flood, and have

interfered with the bank's control of monetary developments.

This does not mean that the policy of fixed exchange rates will be abandoned. Bruno says that even the International Monetary Fund, which usually does not favour such a policy, recognized that in the Israeli case there was a justification for a pegged rate of exchange. The bank is currently trying to reshape monetary policy, and to create new monetary instruments which will represent an answer to such problems. Part of the answer was the recent decision to start purchasing and selling government bonds from the bank's stock, what is known as open market operations, as a tool of controlling liquidity in the economy.

It appears that the shekel will not be devalued in the next several months. Bruno said that he had been convinced from October 1986 that a devaluation was needed to offset the negative effects of the large wage hikes in previous months. Then, salaries had increased by 12 per cent more than was expected.

The January 13 devaluation was intended to solve such problems and it did. Export profitability has on average returned to what it was in the first half of last year. True, the fall in the value of the dollar relative to European currencies has created a problem for industries exporting to the dollar area, but Bruno asserts that this cannot be the reason for a further devaluation. "It is impossible to solve problems stemming from movements in the relative value of currencies by devaluing. There is no point in artificially trying to preserve the competitiveness of certain industries," he explains.

THE ANSWER to the problem would be to have a wage system elastic enough to absorb the changes in the economic set-up. Bruno says wages in those industries being affected by the fall in the value of the dollar should go down. The main task of the government and the Histadrut is to give the market forces leeway in determining which industry can afford salary increases and which industry should pay less. Here, again, less central intervention is needed and more reliance on market forces should be encouraged.

There is another reason for Bruno's call for lesser central intervention. He agrees that output and employment have been expanding recently, and a reduction in unemployment is a high priority. But he says that the government applies fiscal restraint, and avoids increasing the number of workers employed in the public sector, he says, most of the increase in employment will be directed to the business sector. The market would then determine which industries would absorb the additional workers.

Bruno appears to believe that the Histadrut's main contribution to the economy should be to waive its right to conduct collective wage negotiations this year, or at least to agree to a policy of no across-the-board increases for all workers. Economy-wide agreements on wage hikes set a limit to salary increases. On top of these rises, there are wage increases granted on a sectoral or industry level.

Thus, the governor claims, if collective wage agreements are signed which will grant pay increments above the cost-of-living allowance, the result would be renewed cost pressure on prices. The Histadrut, Bruno stresses, has much more to gain from continued stability than from wage rises that would only trigger higher inflation. In his opinion that is the main conclusion the labour federation can draw from economic developments in 1985 and 1986.



Bruno rejects calls for additional military spending. (Rabmger)

The academic in a stormy world

Pinhas Landau comments

Israel has consistently stymied the development of financial instruments designed to reduce businessmen's risks, Bruno would only say that the whole subject was under serious consideration by the central bank.

However, only the previous day, Bank Leumi had broken the Bank of Israel's taboo on these risk instruments by introducing a range of forward contracts on shekel interest rates and the consumer price index. Leumi had acted without bothering to ask for, much less obtain, central bank permission. It saw itself as simply responding, albeit belatedly, to the manifest needs of the Israeli market.

Two years earlier, a similar initiative by Bank Mizrahi had been shot down by Bruno's predecessor, Dr. Moshe Mandelbaum, on the grounds that it might interfere with the implementation of monetary policy.

Monetary policy, however, has suffered several blows in recent months. The Bank of Israel's determination to keep shekel interest rates high has attracted hundreds of millions of dollars worth of "hot money" into Israel, and allowed the commercial banks to start setting their own interest rates, in line with supply and demand in the money markets, whether or not this suits the central bank's rate structure at the time. Bruno: The Bank of Israel is seeking new instruments with which to pursue its monetary policy more effectively.

The inordinately long process of "consideration" and "weighing" every new move got Bruno into trouble with the Labour Party last week over the quite innocuous matter of increasing the foreign currency allowance from \$800 to \$2,000 per traveller. This is a suggestion that has been floating around for months, and given Israel's foreign currency reserves it could have been carried out at the beginning of the winter, and not at the onset of the summer holiday season. However, because of its timing, the move was attacked by Labour minister as "election economics."

In practice, of course, the change is meaningless, because normal people have long since stopped going to the bank to buy foreign currency, where taxes add 16 per cent to the representative rate, when the black market offers limitless

amounts at one percent below the representative rate.

SIMILARLY, the process of freeing the economy from regulations governing the import and export of capital must, in Bruno's opinion, take a long time and be implemented gradually. These regulations are the subject of damning criticism from Israeli businessmen — for example, a company making a share issue in New York needs approval from numerous government agencies, including the central bank (in addition to U.S. regulatory approval). It is obliged to bring the proceeds to Israel, and then, when it wants to use some of its own money, raised from foreigners, say to establish a new marketing arm in Los Angeles, it must spend immense time and effort to get Bank of Israel approval to "export" the money.

At the same time, as noted above, the markets have long ago found ways of moving large sums of capital into and out of Israel, to take advantage of changing economic circumstances. Only those forced to play by the inflexible rules wind up losing. Why, then, must everything be discussed for years before minor changes herald a "gradual" easing-up?

And finally, the bank shares. To Bruno, as to other government spokesmen, the \$5 billion redemption process in October 1987 and October 1988 will constitute no problem, so long as the economy remains stable. However, Bruno and most other government officials not involved in the "arrangement" believe it is a bad deal which must nevertheless be implemented. Thereafter, the government should seek to divest itself of the bank shares, so as not to nationalize the banks.

But this must be done, needless to say, gradually and after due consideration of all the options — a process that is only now beginning, and may end sometime late this year, if there is then a government that can make the necessary decisions, and that will then require implementation over a period stretching well into the 1990s.

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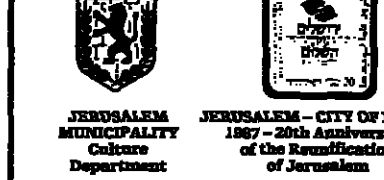
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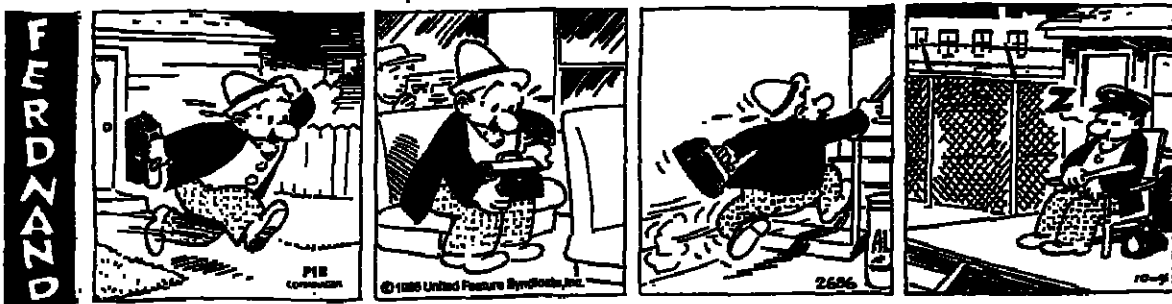
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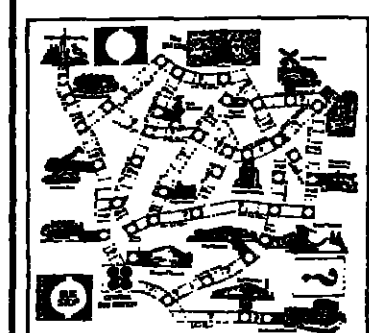
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TENDER No. 81/645/87

1. THE JEWISH AGENCY (hereinafter the Agency) invites tenders from building contractors for the construction of a: **THE JAGGARD-JAFFE PREKINDERGARTEN NURSERY IN Kfar Hittim**
2. The projected construction is approx. 120 sq.m.
3. Conditions of the tender as well as all other pertinent information can be obtained from Sunday, May 3, 1987 from the Agency, 17 Kaplan Street, Tel Aviv, room 717 between 9:00 a.m. - 12:00 p.m., against a non-refundable deposit of NIS 200.
4. A special tour of the construction site for contractors will be held on Wednesday, May 13, 1987 departing at 10 a.m. from the Water Tower at Kfar Hittim. Bids should be submitted not later than 1:00 p.m. on Wednesday, June 10, 1987 at the address mentioned in paragraph 3 above.
5. This tender is open only to contractors registered in accordance with the Act regarding Registration of Contractors for the execution of Engineering and Construction Works 1968 such contractors to abide by requirements of the Act and to be eligible to carry out the works as specified.
6. The Agency does not undertake to accept the lowest, or any other bid.



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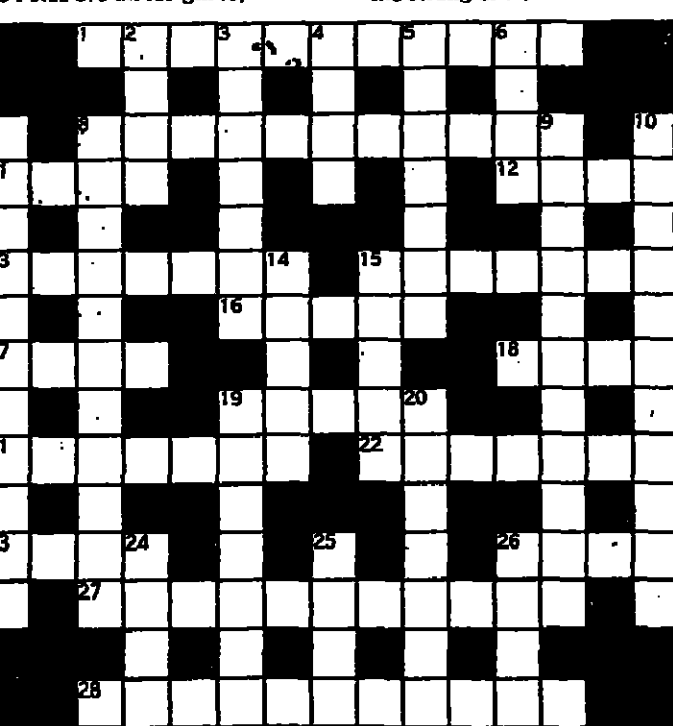
Required: Full time ENGLISH SECRETARY

- Word processing experience essential
 - Working knowledge of Hebrew
- The person appointed will be engaged on an employment contract.
Suitably qualified candidates are asked to call 02-282481, 228783.

Jerusalem yeshiva seeks English speaking **SECRETARY.**
Please call Tel. 810315.

CROSSWORD

- ACROSS**
- 1 Die shaping advice to inveterate counterfeiter (4-7)
 - 3 A bloomer in funds built up for accommodating orders (11)
 - 11 Net up to one of the garden plots (4)
 - 12 It is dead, dead, dead (4)
 - 13 Tom upset the one that he may look at by constant change of course (7)
 - 15 Send around gratuity money for the pastor (7)
 - 16 Broken crust leads to cessation of hostilities (5)
 - 17 Bring up what those who come last bring up (4)
 - 18 Formerly one per cent - or just the opposite (4)
 - 19 Police are all for gin (5)
 - 21 Tolerated nude pose, but finally embarrassed (7)
 - 22 Ruler showing a printer's measure used by a printing machine (7)
 - 23 Is in current use as a computer filing system (4)
 - 26 Holy man upset a king - a Russian one (4)
 - 27 Production of it involves rare new heat (11)
 - 28 Back up because Corinthians steal and blab (11)
 - 2 Cross a small area of land (4)
 - 3 A rustic worker loaded with vegetables (7)
 - 4 Refuse the sorted sort (4)
 - 5 Decay in an entrance used by the strangler (7)
 - 6 Want Eden restored (4)
 - 7 Presumably they quickly became bosom pals (4-7)
 - 8 Mind reaches out for the goods (11)
 - 9 See me lose on being replaced? Not me! (7-4)
 - 10 A little more may be added just for it to become effective legislation (4-7)
 - 14 1000 notes are played on it (5)
 - 15 In the home counties private transport creates panic (5)
 - 19 Did he win seat Ron reserved for him last autumn? (7)
 - 20 Give authority to overthrow Middle Eastern state (7)
 - 24 Austere Roman hi-tech establishment comes to nought (4)
 - 25 Part of speech found in clever book (4)
 - 26 Run as a moderate or an extreme Leftist (4)



Yesterday's Solution

ACROSS

- 1 Chewed
- 4 Arise
- 5 Maple
- 9 Remnant
- 10 Doughty
- 11 Seen
- 12 Sob
- 14 Eden
- 15 Easy
- 18 Tea
- 21 East
- 23 Directs
- 25 Elevate
- 26 Erode
- 27 Nadir
- 28 Adores

DOWN

- 1 Benefactor
- 2 Famous playwright
- 3 Elephant
- 4 Arms
- 5 Orate
- 6 Extent
- 7 Prays
- 13 Betried
- 16 Succour
- 17 Solemn
- 19 Adder
- 20 Assess
- 22 Speed
- 24 Pair

QUICK CROSSWORD

- ACROSS**
- 1 Forbidden
 - 8 Cart
 - 10 Spurrier
 - 11 Benefactor
 - 12 Famous playwright
 - 13 Female dog
 - 17 Aggregate
 - 18 Mediterranean resort
 - 22 Staple food
 - 23 Generosity
 - 24 Absconded
 - 25 Head steward
- DOWN**
- 1 Do away with
 - 2 Plead
 - 3 Appears
 - 4 Field
 - 5 Great pain
 - 6 Lifesize
 - 9 Easily annoyed
 - 14 Child
 - 15 Cunning strategy
 - 16 Free time
 - 19 Monkish residence
 - 20 Wading bird
 - 21 Arrogant

BOOKS

"ISRAEL TAX and business laws in English translation - A.G. Publications Ltd. P.O. Box 7422, 31070 Haifa."
M. & R. FRICKLE, Posters, 3 D-4000 Dusseldorf 1, WE BUY ART (paintings and graphics) and antiquarian books in the fields of art, architecture, literature and photography. Especially the advantage of the 20's and 30's. Limited edition, press books, first editions.

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ISRAEL BED & BREAKFAST: Quality accommodations in private homes. Holiday apartments short-term. POB 24119, Jerusalem. Tel. 02-817001.

DWELLINGS

JERUSALEM - RENTALS
MOSHAY ORA, 4, magnificent view, partially furnished, 02-415451.
SAN SIMON, 4 rooms, luxuriously furnished + telephone, \$350, Tel. 02-690345.
GAN REHAVIA, luxurious flat, July-August, for religious, 02-243512.

WANTED, long term, 5-6 rooms, storeroom, 02-421718 N.S.
TALBIEH, 6, beautiful Arab house. Balcony, garden, August 87-June 88. Tel. (U.S.A.) 415-264-314.

FLATMATE WANTED to share bright, spacious flat in Armona Haazuv, 3 rooms, great view of Judean Hills & Dead Sea. Furnished, central heating, telephone. For person who appreciates reasonable quiet. From June. Call Kina, Tel. 02-713948, 02-5534333.

RESPONSIBLE American tourist families seeking luxury flats, May-Sept, centre of town. K'ney U'bney, 02-632040.

KIRYAT SHMUEL, Hattayassin, 4, beautiful, immediate, sunny, T.A.C. 02-631764.

NEAR JERUSALEM THEATRE, 3, furnished, short term, Merhav, 02-661595.

KATAMON, 4 + garden, furnished, from May-June 15, or from August, 02-321505, Solemn, 19 Adder, 20 Assess, 22 Speed, 24 Pair.

RAMAT ESHKOL, strictly kosher, May-June, for single couple, 02-810256.

JERUSALEM PURCHASE/SALE

JEWISH QUARTER, fantastic flat, 2 1/2 + dinette + yard, T.A.C., Tel. 02-431764.
TALBIEH, 6 + garden, 4 modern, beautiful, 4 special, spacious + terrace, Kiryat Wolfson, 4, beautiful, T.A.C., Tel. 02-431764.

TZAMERET HABIRA, beautiful, 6 1/2, cottage, garden and terrace, 190 sq.m., southern, 185,000, Anglo-Saxon (Malden), Tel. 02-221161.

GIVAT ZEEV, beautiful villa on 600 sq.m. plot, view, garage, 195,000, Anglo-Saxon (Malden), Tel. 02-221161.

REHAVIA, magnificent semi-detached, 3 rooms, beautiful garden, private entrance, totally renovated, high standards, \$260,000, 02-240371.

CANADA HILL, fantastic view of Jerusalem, 4 rooms + large roof garden and many other amenities, \$150,000, 02-637038.

RAMOT 01, 3 1/2, closets, sauna, balcony, N.S. 02-865361.

SUPER DE-LUXE cottages at Ramat Salim, Sd. Shai Agnos (end Palmach opp. Lurie School), 220 sq.m., 3 floors, view to Knesset + Emek Hanaziv, Garden + paved roof, immediate occupancy. Public garden near cottages. Model cottage open: 3:30-5 p.m., Tel. 02-468997.

HAR NOF, 4-5 spacious apartments, superb location, from October, 9 Harav Meshklov St., Tel. 02-664894, 03-783524.

UZIEL, 5 1/2 + view, garden, swimming pool, storeroom, Tel. 02-829118, 02-415632.

TALPIOT, 4, 120 metres, 3 balconies, nice layout, bargain, K'ney U'bney, 02-632040.

TALBIEH, 3, ground, excellent condition, dream kitchen, prime location, K'ney U'bney, 02-632040.

NEAR HEICHAL SHLOMO, 3 + balconies, view to Old City, 119,000, Keys at King David (Malden), 02-221161.

KIRYAT WOLFSON, 4 1/2, luxurious, Abu Tor, 3 1/2, Arab, immediate, 02-712089.

VERY LARGE, beautiful, single family villa, Ramat, for serious and quick decisions only. Reduced to \$325,000, 02-865515, N.S.

REHAVIA, 4, beautiful ground floor flat, large garden, huge living room, excellent condition, K'ney U'bney, 02-632040.

KIRYAT WOLFSON, super luxury, kosher, April 28-June 20, K'ney U'bney 02-632040.

TALPIOT, 4, sunny, excellent condition, modern kitchen, private heating, storage room, bargain, \$85,000, K'ney U'bney 02-632040.

SANHEDRIA, Ophira, 4 + dinette, 2nd floor, lovely, balconies, storeroom, 118,000, 02-810463.

NAHALAT ZION, one-room flat, key-money, telephone, suitable for artists, 02-661334.

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DIZENGOFF, for tourists/business men, independent room, long term, Tel. 02-281991.

2 1/2 (possible 1 1/2) furnished, air-conditioned, North, (03) 247621 (year).

DINAMI offers beautiful vacation flats. Short/long term, Tel. 03-235529.

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NORTH TEL AVIV, apartment rental, contact specialists, Israel-Tel, Tel. 03-294141.

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MUSICAL INSTRUMENTS

HARRARI HARPS Jerusalem, ancient Dardic, Renaissance & Dord-Harps, Tel. 02-712793.

MATRIMONIAL

FOR SINGLE NEWS all over the world, all ages, wishing to meet future Israeli spouse. P.O.B. 2107, Jerusalem, Israel, enclosing photo + \$50 registration fee

PETS

THREE PERSIAN kittens for sale, 6 weeks old, 02-660230 (N.S.)

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FOR SALE complete household, i.e. furniture, electrical appliances, cameras, vitamins, ski equipment, etc. Tel. 04-960267.

VIDEO CAMERAS - SALE - purchase - exchange - equipment - rental. Tel. 03-653199.

"STAR" cooker. Good condition NIS 200. Tel. 02-714181.

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PINK PANTHER painting, plumbing, household repairs and cleaning, U.S. standard, Tel. 02-23641, Dave.

HEALTHY, REFRESHING, calming, relaxing massage, releases tensions. Tel. 02-221201.

ELECTRICIAN, JACKIE GORK - Domestic, maintenance, repairs, industrial installations. Tel. 03-248117 ext. 1168, (052-44580).

VACUUM CLEANERS, microwave ovens, repairs, sales and trade-in. Domestic and industrial. We rent carpet shampooing machines. Frank Sileo, 61 Herzog, Jerusalem. Tel. 02-662330.

FURNITURE RESTORATION by experts Re-upholstering, wood repairs, re-finishing and re-styling. "Game" Tel. 03-810332.

ARNIE LEWIS SERVICES, Ramatana. Painting + plumbing + cleaning "trissim" Tel. 052-447005.

SITUATIONS VACANT

WORKER REQUIRED immediately. Wages \$35, Eremek Refaim, Tel. 03-631878.

ENGLISH SPEAKING, traditional housekeeper/cook required in Ramat for 2-3 hours daily, good salary, pleasant working conditions, Tel. 02-631978, Jake.

ENGLISH SECRETARY, independent, responsible, preferably with wordprocessing experience, required for various temporary work in Haifa engineering office. Zamercet Secretarial Services, Tel. 04-717340.

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Experience in wordprocessing an advantage
Fulltime/part-time
Applicants are requested to apply to: Personnel Dept., Tel Aviv University, Ramat Aviv, Tel Aviv, Tel. 03-620345.

THE KNESSET

On Sunday, May 3, 1987, Remembrance Day for the Fallen of Israel's Wars, there will be no tours of the Knesset.

TODAY'S ENTERTAINMENT

TELEVISION

EDUCATIONAL TV
8.00 Teletext 8.03 Keep Fit 8.18 School Broadcasts 14.00 Teletext 14.03 Keep Fit 14.15 Family Problems (repeat) 15.00 Tzu Tzu 15.25 Rehov Sunsum 16.00 Keep Fit 16.10 Mrs. Pappoport - animated film 16.30 The Demjanjuk Trial 17.00 A New Evening - live magazine

ISRAELI TV
CHILDREN'S PROGRAMMES
17.30 Children's Problems
18.00 The Campbells
18.25 A Look at the Cases (Mt. Ebron)
ARABIC-JEWISH RELATIONS PROGRAMMES
18.30 News roundup
18.32 TV Magazine
19.00 Meeting - current affairs
19.30 News
HERBERT PROGRAMMES resume at 20.00 with a news roundup
20.02 Mehar Sport
20.00 Programme Trailer
21.00 Mehar Newsweek
21.30 Two Rivers - documentary about South African apartheid
22.25 Dempsey and Malapappa, British suspense series starring Michael Brandon and Glynis Barber
22.15 Gallery - arts magazine
22.55 Language Corner, introduced by Avshalom Kor, and News

JORDAN TV (unofficial)
17.30 Cartoons 18.00 French Hour 19.30 News in Hebrew
20.00 News in Arabic 20.30 Me & My Girl 21.10 The Last Frontier 22.00 News in English 22.30 Feature film

MIDDLE EAST TV
14.30 Another Life 15.00 700 Club 15.30 Show-Up 16.00 Afternoon Movie: Magnificent Ambersons 17.30 Muppet Babies 18.00 Flying House 18.30 Muppets 19.00 The Jeffersons 19.30 Doc 20.00 News 21.00 Hardcastle & McCormick 22.00 Face of Life 22.30 Newhart 23.00 Moonlighting 24.00 700 Club

Brahms: 11 Gypsy Songs for Choir and Piano; Franck: Sonata for Violin and Piano Op. 24; Martinu: Trio for Flute, Cello and Piano; Schubert: Excerpts from "Rosamunde"; Poulenc: Sextet for Piano and Wind Instruments; Dvorak: Symphony No. 3 12.00 Faust: Fantasia for Flute and Piano; Klon: "Talk of the Town"; Schubert: Quartet Op. 161 13.00 Mozart: Piano Trio in F; Dvorak: Romance for Violin and Orchestra; Schubert: Symphony No. 8, "Great" 18.00 Encounters 18.00 Daniel Goerdes, piano - Beethoven: Sonata Op. 111; Chopin: Ballade No. 2 - live broadcast 19.00 Light Classical Music 20.00 Music Anthology 21.00 Light Classical Music for Duo 22.00 Musical Medley 23.00 Jerusalem Symphony Orchestra: "L'Arlesienne"; Cohen: "Navy" - live broadcast 23.00 Golden Generation - Huberman in live performance - Bach: Chaconne from Partita No. 2; Brahms: Violin Concerto (New York)

RADIO 1st
6.03 Programmes for Olim 7.30 Programme in Easy Hebrew 8.05 Compass - with Benny Hendeel 8.22 The Demjanjuk Trial 18.00 Children's programmes 18.30 Education for all 18.05 An Unknown Land 17.00 News in English 17.30 News in French 18.05 Jewish Traditions 19.05 Lesson in Tania 19.20 Bible Reading 19.30 Programmes for Olim 22.05 I Have a Dream

RADIO 2nd
6.12 Gymnastics 6.30 Editorial Review 6.53 Green Light - drivers' corner 7.

SITUATIONS VACANT ADVERTISEMENTS

The Equal Opportunity in Employment Law, 1981

Under the provisions of the above law, no one may reject an application for an employment vacancy, on grounds of sex or marital status, or because the applicant is a parent, unless the nature of the work precludes the employment of a member of a particular sex.

Offenders are liable to punishment under the law.

RETIRED GENTLEMAN seeks quiet tidy person, preferably a nurse + slight help with house work. Excellent conditions. Near Larnache Hotel. 02-673740.

WANTED household help, full or part time, flexible hours. 02-87816.

COOK, American-style, nutritionally-minded for Torah Institution. Tel. 02-825193 (N.S.).

CLEANING HELP for Torah Institution. Tel. 02-825193 (N.S.).

EXPORT CLERK, perfect English, workable Hebrew required. English typing, word processing, sales experience desirable. 5-day week. 02-716730.

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HOUSEHOLD HELP au-pair in Herzliya Pithul, 02-554202.

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LEARN WORDPROCESSING - typing. Private instruction, one student - one teacher. The Wordpro. Tel. 03-220814.

VACANCY - challenging office position in industrial company. Mother tongue English. P.O.B. 33997, Haifa 04-729432.

VACANCY FOR Independent Bookkeeper in Haifa Bay, for staff administration. 04-729432.

PLEASANT MATURE LADY for tourist shop, part time. 02-281015.

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MISCELLANEOUS

WANTED ORTHODOX girl woman to share room with 13 year old girl for Dead Sea summer holidays, peaceful treatment. Tel. 02-765540.

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PEUGEOT 604, 79, one owner, 50,000 km., tourist. Tel. 03-342549.

PASSPORT, BMW 318i, late 1985, radio-tape, cruise, excellent condition. \$9,900. Tel. 03-471018.

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RELIGIOUS SERVICES

SHABAT
Jerusalem 6:40 p.m.
Tel Aviv 6:52 p.m.
Haifa 6:52 p.m.
Beer Sheva 6:56 p.m.
Eilat 6:54 p.m.
Tora Portion: Tazria & Metzora

JERUSALEM

YERUSALIN CENTRAL SYNAGOGUE. Friday, Mincha 7:00. Shabbat, Shabbat 8: Mincha 1:15. 6:10. Maariv 8. Cantor: Asher Hainovitz. Sun. (eve of Independence Day) Festival Service 7:45 p.m. Mon. (Independence Day) 7 a.m. Cantorial Concert 5 p.m.

JERUSALEM GREAT SYNAGOGUE. Friday, Mincha 7:05 p.m. Shabbat, Shabbat 8: Mincha 1:15. 6:10. Maariv 8. Cantor: Naphthali Hershberg and Jerusalem Great Synagogue Choir conducted by Eli Jaffe.

WORLD COUNCIL OF SYNAGOGUES. Conservative. 4 Agon. Friday, Mincha 6:00. Shabbat, Shabbat 8:30. Saturday, Mincha 6:30. Dvar Torah: Rabbi Dr. Yoel Green. Hazan: Hanan Rutenstein.

HEBREW UNION COLLEGE. Jewish Institute of Religion (Reform). 13 King David St. Sat. 9:30 a.m.: Information on college programmes: guided tour of campus. Service: 10 a.m.

SHABAT RATZON. Spanish and Portuguese Congregation in Israel. Mordochai Elitah 51/2. 1. East Talmud. Shabbat 8: Dethals: 03-712891.

TEL AVIV

TEL AVIV GT. SYNAGOGUE. 110 Allenby. Shabbat Services conducted by Cantor Meir Hofstater. Ramban shul by Synagogue President Avraham Hatzron, before Kabbalat Shabbat. Mincha 7:15. Shabbat 8:00.

CHRISTIAN

JERUSALEM REDEEMER CHURCH (Lutheran) Muristan Rd. Old City, Jerusalem. Sunday Services: English 9 a.m.; German 10:30 a.m. Tel. 282543, 828401.

CHRIST CHURCH (Anglican) opp. Citadel. 9:30 Family service, 7:00 p.m. Evening service. Bible study, Wednesday, 7:30 p.m.

BAPTIST CONGREGATION, 4 Narkis, West Jerusalem: Saturday services: 9:00 a.m. Bible study, 10:30 a.m. Worship. Tel. 225942.

ST. ANDREW'S CHURCH OF SCOTLAND near Railway Station. Sunday morning service. 10 a.m. Tel. 02-714659.

PENTECOSTAL WORSHIP SERVICE, MT. ZION FELLOWSHIP, 7:30 p.m. Fri., Sat., Sun., Tel. 828904.

ST. PAUL'S (Pentecostal), 32 Shivtei Yisrael

6:30 p.m. Saturday. Tel. 02-717988.

JERUSALEM CHRISTIAN ASSEMBLY

YMCA auditorium, 26 King David St., Tel. 232016. Sunday, 7 p.m.

JERUSALEM CHURCH OF GOD, "House Of Prayer For All People" - Sat. 10:30 a.m. 18 Ein Rogel St. Tel. 71814.

IMMANUEL CHURCH (Lutheran) Tel Aviv-Yafo, 15 Rehov Beer Hofman (near 17 Rehov Eliat) Tel. 820654. Saturday's Service: 11 a.m. Service in English every Sunday at 10 a.m.

HAIFA ELIAS CHURCH (Lutheran) Haifa. 43 Meir Street. Tel. 04-523581. Sat. service 11 a.m.

OTHER CENTRES
BAPTIST VILLAGE CONGREGATION. 2 km. north of PETAH TIKVA. Saturday Service. Bible study 9:30 a.m. Worship 10:30 a.m. Tel. 052-77571.
What does a CHRISTADELPHIAN believe? Write for free 294 pp. book. P.O.B. 10373, Jerusalem 91103.

Notices in this column, which appear every Friday, cost NIS 8.85 per line, including VAT, per insertion, or NIS 26.55 per line, including VAT, per month.

WHAT'S ON

Notices in this feature are charged at NIS 8.85 per line, including VAT. Every day of the month costs NIS 177.10 per line, including VAT, per month.

JERUSALEM

Information Centres
UJA INFORMATION CENTRE, 1 Ibn Gabirol St., Rehavia, Jerusalem. Features TV news programmes from the U.S., continuing N.Y. News, videotapes on U.S. (United Jewish Appeal) sponsored programmes in Israel. Open Sunday-Thursdays, 3:00-7:00 p.m. For more information call 02-246807, 02-240795.

Conducted Tours
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HADASSAH

Hourly tours of the Chagall Windows at Kiryat Hadassah on the half hour. * Information, reservations: 02-416333, 02-446271.

HEBREW UNIVERSITY
English tours daily Sunday through Thursdays, 1. Mount Scopus, 11 a.m. from the Brodman Reception Centre, Administration Building, Buses 8, 28, 46 & 23 to the first underground stop 2. Givat Ram Campus, 8 & 11 a.m. from the Sherman Building, Buses 8, 28, & 24. Tel. 882819.

AMIT WOMEN (formerly American Mizrahi Women). Free Morning Tours - 8 Alkalat Street, Jerusalem, Tel. 02-695222.

Conducted Tours

Tourists and Visitors. Come and see the General Israel Orphan Home for Girls, Jerusalem, and its manifold activities and impressively modern building. Free guided tours weekdays between 9-12. Bus No. 14, 24 or 5, Kiryat Moreshet. Tel. 523231.

HAIFA

TECHNION - Israel Institute of Technology presents Jack Lemmon's narration of "The Technion Experience" at the COLER-CALIFORNIA VISITORS CENTRE. Tel. 04-210864. Sun.-Thurs. 8:30 a.m.-2 p.m. Fri. noon.

WHAT'S ON IN HAIFA, dial 04-640840.

ART GUIDE

Notices in this feature are charged at NIS 8.85 per line, including VAT. Once-weekly insertion costs NIS 26.55 per line including VAT, per month.

JERUSALEM

Museums and Exhibitions
ISRAEL MUSEUM. Exhibitions: Bilu Blich and Ido Bar-al, paintings and sculpture (Young Israeli artists series) Piter Van Lint (Flemish, 1609-1680), "Achilles Among the Daughters of Lycomedes" (opens 1.5). Continuing Exhibitions: The Supreme Court Building, Jerusalem, 1986 competition documentation © Honoré Daumier, Armand Hammer Collection © News in Antiquities 87 © Gorovoy Donation, Mid-19th Century Photographs of Human Form © Ancient Mesets and Ratties, special Purim and general exhibit: From Neolithic to Roman period (Rockefeller) © Felix Nussbaum (1904-1944), artist who perished in Holocaust © "From Dada to 3D." Meet an Israeli Artist. David Gerstein © Artists Quoting Artists © Tamara Rikman: The Bewitched Shore, tamers and lacquer paintings of Givat Aliza-Jaffa © Yehozkel Streichman, comprehensive show of oils, 1940's to present © Animals in Ancient Art (Rockefeller) © Ancient Glass Exhibit © Islamic Art (Palestine Centre, opp. Rockefeller) © Miriam Bar-Tov, 4 Book Illustrations © Permanent exhibitions of Archaeology, Judaism and Ethnic Art.

L.A. MAYER MUSEUM FOR ISLAMIC ART. Visiting hours: Sun.-Thurs. 10-1; 3:30-6, Fri. closed. Sat. 10-12 Hapalmal St. Tel. 02-661291/2. Bus No. 15.

OLD YISHUV MUSEUM. Life in the Jewish community in the Old City, mid-19th century-War II, 6 Or

Hahaim, Jewish Quarter, Old City. Sun.-Thurs. 9 a.m.-4 p.m.

SIR ISAAC AND LADY EDITH WOLFSON MUSEUM at Heikhal Shalom. Special Exhibition: Kovno Ghetto, images from a Hidden Camera, photographed by Zvi Kadushin. Permanent Exhibition of Judaica, Diorama Room: History of Jewish People.

MISHKENOT SHA'ANANIM, Fisher Hall. Tova Berlinski, "Recent Work." Opening 22.4. Closes 15.5. Hours: Sun.-Thurs. 9-5, Wed., Fri. 10-12, Tue., 10-5. Sat. 11-1. Mon. closed. Tel. 224321.

REHABIA GALLERY. Exhibition: "Landscapes of the Judean Hills", square and collage by Yeel Braun. Opens 11.4.87 at 8 p.m. Closes 30.4.87. Open daily, 10-1, 4-8. 12 Aza St., Tel. 635682, 863821.

HAYOTZAIR HAYERUSHALMI at Alliance Francaise, Arts/Crafts Fair plus entertainment. May 1, 9 a.m.-2 p.m.

TEL AVIV

Museums
TEL AVIV MUSEUM. New Exhibition: Salvador Dali, Writer/Illustrator (opens 6.5). Continuing Exhibitions: The Israeli Archipelago, A Centennial Tribute, sculptures, sculpto-paintings and drawings. Continuing Exhibitions:

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Trends in Geometric Abstract Art © Edward Munch (prints): Death, Love and Anxiety. Special Exhibit: Erich Mendelson Centenary. Drawing from 1906 and 1935. Visiting Hours: Sun.-Thurs. 10-12, Fri. 11-2, 7-10; Fri. closed. Helena Rubinstein Pavilion: New Exhibition: Gilberto Zorio of Arte Povera Movement in Italy. Visiting Hours: Sun.-Thurs. 10-2; 5-8. Sat. 11-2; 7-10. Fri. closed.

Visiting hours this week: Sat. 11-2; Mon. 10-2, 5-8 (admission free).

HAIFA

Museums
HAIFA MUSEUM. 26 Shabbat Levy St. Tel. 04-523255. Exhibitions: Modern Art: Facing the Mirror: The Israeli Caricature, Now. Ancient Art - Coins of Alike in Ancient Times. Music & Ethnology: world paper cuts Open: Sun.-Thurs. & Sat. 10-1; Tue., Thurs. & Sat. also 6-8. Ticket also admits to National Maritime, Japanese and Prehistoric Museums.

THE REUBEN AND EDITH HECHT MUSEUM FOR THE ARCHAEOLOGY OF ERETZ ISRAEL at Haifa University, open Sun., Mon., Wed., Thurs. 10-1; Tue. 10-1; 4-6; Fri. closed; Sat. 10-1. Entrance free.

OTHER CENTRES
SAFAD. Israel Bible Museum. Experience the Bible through the art of international artist, Phillip Ratner. Open daily, Sun.-Thurs. 10-6; Fri., Sat., 10-2; Tel. 069-73472. Admission free.

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SPORTS

SOCCER

Betar have finger-tips on title

By PAUL KOHN

TEL AVIV. — Betar Jerusalem playing Maccabi Tel Aviv should pack 'em in at the Bloomfield Stadium on Saturday.

If Betar retain — or expand — their current nine points lead over Bnei Yehuda on Saturday night, their Jerusalem supporters can start their championship celebrations. With only three more league games to go after Saturday's matches, Betar Jerusalem can no longer be overtaken and the first championship title ever will go to the capital, unless they lose every game, including Saturday's, and Bnei Yehuda win three and draw one.

No team deserved success more. Betar will be worthy champions. They won league matches and lost only one all season. Betar scored 52 goals and, in Uri Malmilian and Eli Ohana, they have the top two goal-scorers in the National League.

The nearest to the Betar goal tally stands Maccabi Tel Aviv with 38 goals. Theirs is a proud tradition and they have won their quota of championship titles, though they will not make it this season. Presumably the Maccabi attitude to this game will

be, "What Hapoel Tel Aviv can do (they held Betar to 0-0 last week at the same venue) we can do better."

Eli Dricks, Benny Tabak and Moshe Gariani, on their best days, could cause the Betar defenders a few problems. But Betar should overcome these. The game kicks off at 5 p.m.

By the time they start to play at Bloomfield, Betar Jerusalem will know exactly what is required of them, because Bnei Yehuda play against Hapoel Petah Tikva in a morning game, at 11 a.m. The Hapoel Quarter team have gone 26 league games without defeat, an outstanding feat. Why they and Betar want to shuffle coaches and managers next season is difficult to fathom.

The early game at Bloomfield will be a Tel Aviv derby between Hapoel Tel Aviv and Shimon, starting at 3 p.m. There will be little at stake, except a touch of prestige, in this curtain-raiser to the big one.

The afternoon game in Petah Tikva may have a vital bearing on the relegation issue at the other end of the table. Maccabi Petah Tikva will be at home to Maccabi Yavne, who

trail Betar Tel Aviv by three points but have a much better goal average. Yavne are sure to throw all they can at their hosts in a desperate effort to get goals. Betar, meanwhile, play up the road in Kfar Sava and there too a scramble for goals and points is likely to ensue.

The main game in the Second Division will be in Haifa, where two of the top three promotion contestants, Hapoel Haifa and Hapoel Hadera, clash. Hapoel Jerusalem may find themselves at the top on Saturday night, if they score a home win over Hapoel Ramat Gan.

TOTO TIPS

	Single	Perm.
1. Mac PT v Mac Yavne	2	X2
2. Hap PT v Bnei Yehuda	2	X
3. Mac Netanya v Mac Haifa	X	X
4. Mac TA v Betar J'm	X	X2
5. Hap TA v Shimon	X	X
6. Hap K. Sava v Betar TA	X	X
7. Mac Jaffa v Hap Lod	X	X2
8. Marmorek v Betar Nahariya	1	1
9. Betar Ramat v Dimona	1	1
10. R. Ashdod v Hap B. Shimon	1	1
11. Hap J'm v Hap B. Gazi	1	1
12. Hap Haifa v Hap Hadera	1	12
13. Hap Acre v Hap Holon	X	X
14. Tiberias v Sha'araim	1	1



DROPPING THE PILOT. — On the eve of Betar Jerusalem's possible seizure of the National League title — and they have a chance of taking the State Cup as well — it was announced that coach Dror Kashtan (above) will definitely leave the capital next season to coach Maccabi Haifa. (Hanoach Gurman)

BASEBALL

Pirates' pitcher steals Valenzuela's act

NEW YORK (AP). — Bob Kipper knew what it would take to beat Fernando Valenzuela and the Los Angeles Dodgers. He had to pitch like Valenzuela, and he did.

Kipper scattered seven hits over seven innings on Tuesday night and the Pittsburgh Pirates beat the Dodgers 6-1.

"I got my changeup over for strikes early in the game, then got some big outs later with the fast ball," Kipper said. "I was glad to go out and pitch well early because when you're pitching against Fernando, you know you can't give up very many runs."

"Kipper, 2-2, stuck out four and walked one. He changed speeds very well tonight and kept our hitters off-balance," Dodgers manager Tom Lasorda said.

Valenzuela, 3-1, allowed three runs on six hits in six innings.



WINNING WAYS AGAIN. — Mike Krukow of the Giants, a 20-game winner last season, got his first win on Tuesday night, whipping the Chicago Cubs 6-2. He pitched a complete game.

in batting average and runs scored, roughed up Tim Lincecum, 6-1, for seven hits and five runs in 4 1/2 innings.

AMERICAN LEAGUE
Milwaukee manager Tom Trebelhorn didn't mince any words in describing the Brewers' second loss in 19 games this season.

"We got whacked," he said after watching the California Angels hand his team a 10-5 setback. "We played hard, but it's hard to overcome the number of line drives the Angels hit...and the balls they hit over the fence."

Even with the defeat, the Brewers lead the American League East by 3 1/2 games after their 17-2 record.

Brian Downing's two-run homer, his ninth of the season, put California in front for good and that hit with Milwaukee's Glenn Braggs for the major league lead. Jack Howell and Dick Schofield had solo homers for the Angels.

Reliever Dewayne Balco, a 29-year-old rookie, got his first victory in his first major league decision.

Orioles 3, Royals 0
Mike Boddicker tossed a one-hitter and Nelson Simmons had three hits. Willie Wilson singled in the sixth inning to break up the no-hitter.

Two solo home runs by Ken Phelps and a two-run shot by Jim Freedy completed Milwaukee's pitching. Morgan, 1-3, allowed three runs on eight hits in eight innings. Edwin Moses picked up his fifth save. Rookie Jeff Robinson, 1-1, the victim of the three homers took the loss.

Athletics 7, Red Sox 1
Dennis Eckersley, coming on in relief of starter Joaquín Andújar, pitched six innings of two-hit ball.

Rookie Luis Polonia tripled and hit his first major-league homer, and Reggie Jackson hit his third homer, a two-run shot.

Indians 1, White Sox 0
Ken Schrom tossed a four-hitter and Mel Hall stroked a home-run single past a drawn-in infield in the bottom of the ninth inning.

Schrom, 1-2, notched his first shutout since he threw a two-hitter against California last June 6. Chicago starter Joel Davis, 1-2, who allowed only four hits, took the loss.

Blue Jays 5, Twins 1
George Bell provided the power and Jim Clancy tossed a six-hitter. Bell drove in three runs, including two with a homer.

Rangers 3, Yankees 1
Edwin Correa, trying to become the youngest American League pitcher to throw a no-hitter in the modern era, held New York hitless for 7 1/2 innings.

Correa, 1-1, pitching one day before his 21st birthday, lost his bid when Willie Randolph singled to left. Don Mattingly followed with a double, knocking Correa out of the game. Dale Mohr finished for his second save in the combined two-hitter.

AMERICAN LEAGUE EAST

	W	L	Pct.	GB
Milwaukee	17	2	.895	—
New York	14	6	.700	3 1/2
Toronto	11	9	.579	6
Baltimore	9	11	.450	8 1/2
Boston	8	12	.400	9 1/2
Detroit	7	13	.348	10
Cleveland	7	14	.333	11

WEST DIVISION

	W	L	Pct.	GB
Minnesota	12	8	.600	—
California	12	9	.571	1/2
Seattle	11	8	.579	1 1/2
Kansas City	8	10	.444	4
Texas	7	11	.389	5
Oakland	6	13	.310	6 1/2
Chicago	6	11	.353	6 1/2

Tuesday's games: Cleveland 1, Chicago 6; Toronto 5, Minnesota 1; Baltimore 3, Kansas City 6; Texas 3, New York 1; California 10, Milwaukee 5; Oakland 7, Boston 1; Seattle 6, Detroit 4.

NATIONAL LEAGUE EAST

	W	L	Pct.	GB
St. Louis	10	8	.556	—
Chicago	9	9	.500	1
New York	8	9	.500	1
Montreal	8	10	.444	2
Pittsburgh	7	10	.412	2 1/2
Philadelphia	6	13	.310	4 1/2

WEST DIVISION

	W	L	Pct.	GB
San Francisco	15	6	.714	—
Cincinnati	14	6	.700	1/2
Houston	12	8	.600	1 1/2
Los Angeles	11	10	.524	2
Atlanta	11	11	.421	6
San Diego	6	15	.286	9

Tuesday's games: San Francisco 6, Chicago 2; Pittsburgh 6, Los Angeles 1; Atlanta 7, Cincinnati 3; Montreal 7, Philadelphia 1; St. Louis 2, New York 1; Houston at New York, p.p.d., rain.

NBA PLAYOFFS

Celtics get needed rest

NEW YORK (AP). — The Boston Celtics, with Kevin McHale on the sidelines with an ankle injury, were determined to complete a sweep of the Chicago Bulls.

"We wanted to win this awfully bad. We needed the rest," Larry Bird said after scoring 32 points as the Celtics beat the Chicago Bulls 105-94 on Tuesday night. The victory gave the Celtics a 3-0 sweep of their first-round National Basketball Association playoff series for the second year in a row.

"They have unbelievable experience. We just couldn't cope with them, especially down the stretch," said Michael Jordan, who topped Chicago with 30 points.

The Celtics, who beat Chicago for the 16th straight time, await the outcome of the Philadelphia-Milwaukee first-round series before they advance to the next round.

Boston came back from a nine-point deficit in the third quarter as Dennis Johnson's layup gave the Celtics an 82-81 edge with 5:49 to go in the game. It was the first time Boston led in the second half and they never trailed after that.

Chicago's Charles Oakley had a game-high 19 rebounds and added 14 points. For Boston, Dennis Johnson had 24 points and Robert Parish added 17.

Houston 117, Portland 108
Alzhan Olayevkov had 35 points, 11 rebounds and eight blocked shots for Houston over Portland, who cut a 25-point halftime deficit to six in the fourth quarter. Houston led the series 2-1.

Clyde Drexler scored 26 points to lead the Trail Blazers, while Steve Johnson had 23 and Terry Porter 21.

Seattle 117, Dallas 107
Dale Ellis, a former benchwarmer for Dallas, scored a career-high 43 points, leading Seattle to a 2-1 series lead over the favored Mavericks.

Ellis, whose previous career-high was 41 points, added 14 rebounds for the Sonics, who got 22 points from Tom Chambers and 16 from Xavier McDaniel. Derek Harper led the Mavericks with 36 points, Roberto Blackman had 27 and Mark Aguirre 16.

'Goal!' gives the game away

ANKARA (Reuter) — Amateur soccer player Ismail Kayar raised eyebrows in an away match at Mardin, south-east Turkey, when he scored and yelled out "Goal!" He was playing in a deaf-and-dumb persons' league.

A soccer federation rules committee meeting in Izmir yesterday heard that Kayar, of Diyarbakir deaf persons sporting club, was perfectly able to hear and speak and awarded the game to the Mardin side.

The offending club was barred from the league for next season and their officials and Kayar were referred to the disciplinary committee.

NHL PLAYOFFS

MONTREAL (AP). — Ryan Walter scored with 2:39 left to play to give the Montreal Canadiens a 3-2 victory over Quebec on Tuesday night and a 3-2 lead over the Nordiques in the best-of-seven Adams Division final.

Rookie Randy Adams scored the winning goal at 3:27 of the third period as the New York Islanders defeated the Flyers 1-1 in Philadelphia to stay alive in the playoffs. Philadelphia lead the series 2-2.

BRITISH SOCCER. — Oldham got back to winning ways in the English Second Division to secure themselves a promotion play-off place. After five games without a victory, they won 2-0 at Stoke, with Tony Henry involved in both goals.

He scored from 30 yards in the 38th minute, and, with 15 minutes to go, another long-range shot rebounded off the bar and gave Gary Williams a simple header into the net. Meanwhile, Bradford and Hull eased their relegation worries with victories over fellow strugglers. Bradford beat Sunderland for the second time in a fortnight, winning 3-2 away from home. Hull moved up three places to 17th place with a 1-0 win over bottom club Brighton, who now look certain to be playing Third Division football next season. The only goal came from Richard Johnson.

EUROPEAN SOCCER

IZMIR (AFP). — England, who scored eight goals on their last visit to Turkey, were held to a hugely disappointing goalless draw here Wednesday in a European Championship qualifying game.

In Kiev, the Soviet Union took another step towards next year's finals in West Germany by scoring a goal in each half to beat East Germany 2-0 before a crowd of 95,000. It was their third win in four Group Three games.

TRIATHLON

Three teen-agers try endurance test today

By SASHA SADAN
Last year Israel TV screened a film about a triathlon, the punishing event in which competitors swim four kilometers, bicycle 150 and end with a marathon. The film made such an impression on two viewers, Ariel Varady and Michal Charlaff, both aged 16, who happened to watch it together that Tuesday afternoon, that they told each other: "Hey, we've got to do something like that some day." And now they have.

Both are students at the Masorati High School in Jerusalem, and for their annual school project were asked to do something "creative." Ariel recalled the film and suggested a mini-triathlon. Another classmate, Uri Feinberg, also took part in the conversation, and the three quickly decided: "Let's do it."

"Why not? Sounds great," said their teacher, Dina Elnekaveh. Being a teacher, however, she also required a written report on what they wanted to do. They turned to Dr. Gideon Mann, who specializes in sports medicine.

Mann gave them a physical check, paying special attention to their feet, and advice on training, shoes and diet. Plenty of proteins and carbohydrates were prescribed.

Dr. Mann warned them about the strains they would be putting on

their bodies and in particular on their knees. They decided on a nine-kilometer run from Jerusalem's French Hill neighborhood to Ma'ale Adumim, a two-kilometer swim in the pool there and a bicycle ride back to their school in Ramat Eshkol. The trouble is that their route is almost all downhill on the way there, lots of stress on the knees.

Training commenced with the boys joining the Maccabi Ma'ale Adumim swim team, which Michal was already coaching. Uri, who had been doing karate four times a week, now had to cut down to make time for running and his other choice for training, basketball. "Lots of it," he says with emphasis.

Uri notes that running has always been hard for him. Nor was Michal exactly enthusiastic about jogging. "Sweaty and disgusting" is how she saw it. But they say now that you learn to love the feeling of the wind against your body, not to mention the pleasure of watching your endurance grow. And all three swear that they use the monotonous confines of a swimming pool to solve math problems in their heads.

Both boys say they have maintained their lives more or less as before they began training last November. Michal found it hard at times to push herself to get up for morning runs or swim sessions but

she learned to get herself out of the house by 6 a.m.

All three now plan to take a course at Wingate Institute this summer to earn certificates as swimming coaches. All three have experienced exhaustion, aches and strained muscles as a reward for their efforts, but grin and say "No pain — no gain."

They are also doing some research at the Hebrew University. Today, at 9 a.m., after a warm-up of stretching, they start their nine-kilometer run to Ma'ale Adumim. Then come the laps to reach two kilometers of swimming and on to their bikes for the aliyah to Jerusalem.

Uri says he is confident he will make it all the way. "I've learned to push myself, and that if I work hard, I can achieve anything, and that goes not just for physical things."

They have not set themselves a time limit, but they expect that meeting the crazy challenge they picked up five months ago will take three hours. "It's better this way," Ariel says. "You always have something to do instead of sitting and watching TV."

Michal compliments the boys for encouraging her and being patient when she couldn't keep up with them. "They were really great." She too is sure that she'll complete their triathlon "even if I don't walk for a week after that."

SPORTSLETTER

To The Sports Editor

Sir, — In light of your recent correspondence on this matter, I would like to say that I do not particularly care whether rugby players or American football players are the tougher, fitter or harder athletes, but the letter from Lewis Alster (JP, Feb. 11) in response to the claim by a rugby league coach that American players are weaker requires comment.

He is right in saying few, if any, rugby players have been able to make it in the National Football League, but he is wrong in inferring that this is because of any physical incapacity. The reason rugby players have not made it is that they have not tried to do so, despite the salaries which Mr. Alster correctly describes as astronomical, because they are not allowed to.

American isolationism

The 28 professional football teams in the two NFL conferences are prohibited by NFL laws to sign on any footballer who has not served his four year apprenticeship with one of the so-called amateur colleges which abound in America. After graduating (usually a BA in Physical Training or some other such nonsense) these young "gorillas" may not even join a team of their own choice, as they must wait to be drafted by a team.

At the end of each season, the teams are allocated a place in the queue, the first choice going to the team who had the worst record in the past season. After all 28 teams have made their pick, they start again with a second round choice in the same order, until everyone is satisfied. If they have, say five rounds, that would mean that 140 college football-

ers get into the pro-leagues out of the hundreds of thousands who played football; it is thus most unlikely that the best of what Mr. Alster calls "the rejects" would not be just as tough, fit and hardy as most of the first round choices. We cannot therefore blame the failure of Americans to make it in rugby on the mere fact that they are "rejects."

In short, the real reason we do not see foreigners (rugby players or otherwise) in the NFL is the old story of American isolationism. Coincidentally, the reason we do not see Americans playing rugby in England could be that there is not enough money in it to attract American sportsmen.

IAN COHEN

The sports pages are edited by Philip Gillon and Yoram Kessel.

Jerusalem Flats

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Finance Reporter Pinhas Landau explains how the new parallel market opening in Tel Aviv will operate

Second-league stock exchange

THE HECTIC pace of development at the Tel Aviv Stock Exchange is about to deliver another new feature: The parallel list, or market.

This is basically a second-ranking stock exchange designed for small, mostly young companies, whose record of business activity, paid-up capital and profits would not qualify them for the main exchange. They offer investors the chance of participating at an early stage in fast-growing companies, with the much greater risk and reward that such companies offer, compared to established ones.

The concept of a second market is well-known in the American context, where the "Big Board," or New York Stock Exchange, has for decades had a smaller rival, the American Stock Exchange or Amex, whose requirements for registration were more relaxed than the stringent demands of the NYSE. More recently came the over-the-counter market, which has now grown to such an extent that it has more companies registered and a higher volume than the NYSE, and its competition has become increasingly embarrassing to the established exchanges.

In London, the parallel market

began life a few years ago, and is called the USM - the unlisted securities market, i.e., the market for those securities that don't meet listing requirements on the main exchange. The Thatcher government's creed of encouraging entrepreneurs and small companies to offer equity partnership to a wider public provided a suitable background for this development, and the stock exchange boom of the last few years had helped the USM to grow rapidly.

Similar parallel markets are planned, or already exist, in several other countries such as France, where previously one bourse had been dominant. Now the Tel Aviv Stock Exchange has joined the trend by establishing regulations for firms wishing to issue shares and be registered on what was first called "List B" and is now to be known as "the parallel list."

The stated objective of this exercise is the same as elsewhere - to give companies a chance which cannot

yet meet the criteria of the established exchange, but show promise. They have to be active in industry or commerce, and not just be passive companies which do nothing except hold assets such as real estate. The exchange has also reserved the right for itself to decide whether to accept the securities of any firm that applies, and if so, whether to classify it for mainstream or parallel market membership.

THE BIGGEST difference between the rules for the main Tase and the emerging parallel list is that a company seeking registration on the latter does not need to have made any profits in the past or have achieved any specific turnover. On the other hand, the company will have to publish an audited balance sheet reporting a full year's activity in its prospectus and, even more important, must show existing shareholder's equity, on an inflation-adjusted basis, of not less than \$750,000. In other words, to get on the

parallel list, you won't have to prove where you have been, but you will have to show that you have the means of getting somewhere. Of course, it would be advisable to try and persuade potential investors that where you are going is worth getting to.

The actual IPO (Initial Public Offering) of a company on the parallel market will have to be for at least 25 per cent of its capital. Thus the smallest offering allowed will be for \$187,500. At the other extreme, the existing pre-issue owners will not be allowed to dilute their holding below 51 per cent in the course of the three years following the registration of their shares.

An interesting rule inserted by the Tase management, which has long been unhappy about the practice of registering two or more classes of shares of the same company, is that the equity of a company seeking registration on the parallel market, which is supposed to be more li-

quent, will in fact be stricter than the main market in this respect.

Furthermore, to keep things even simpler, the issue of warrants as part of an IPO by these smaller companies will not be allowed, unless the shares alone raise \$1.5m. and the warrants a further \$500,000. However, convertible bond issues of \$500,000 and more are okay, but only two securities can be issued, that is, either shares and options or shares and convertible bonds.

So much for the registration of the company's shares. What happens to the shares after they are registered - are there significant differences between the "leagues" in this respect?

In principle, the answer is no. The shares in the parallel market will be traded daily, according to the same system as those on the main market, although at a different time of day. What may become important here, however, is the fact that the way shares are traded is determined by the liquidity of the market in them.

In the small companies that the parallel market aims for, liquidity might be a problem, forcing those issues to be traded once a week, or in the framework of the "mechanized trading" that the Tase uses for illiquid shares.

THE TASE has also incorporated measures to protect minority shareholders' rights in the new companies. Thus, deals between the company and "insiders" or major shareholders, will have to be reported to the exchange's board. The companies' own boards will also have to include outside directors, over whose identity the exchange will have a say, because the exchange chairman has veto power over appointments he feels are unsuitable. In addition, each company's statutes will have to carry a clause empowering shareholders with a given percentage of votes to appoint a director.

Finally, the exchange has allowed for promotion and demotion of com-

panies in the two leagues. If, for example, a company listed on the main market suffers setbacks, it can turn it into a highly risky investment, the exchange may send it down to the second division. This would be the case if the company's capital fell below \$1 million, and/or if the way the company was being managed was likely to endanger the public shareholders. Any such demotion would require the authorization of the exchange board.

Conversely, of course, a company that began life on the parallel market, could grow and thereby meet the qualifications for registration on the main market.

These rules, which were authorized last month, are to be in force for a trial period of one year. Meanwhile, at least two prospectuses of companies seeking registration on the parallel market are in the exchange pipeline, and should be coming out within a few weeks. These are the Ganei Hadar tourism company and a firm called Golan that designs, produces and markets gold jewelry. The latter looks likely to be the first company on the list that, it is hoped, will soon grow into a large and vibrant parallel market.

Rail expansion is the answer

Zvi Tsafiri

A SPECIAL conference of the International Cargo Handling Coordination Association (ICHCA), organized by its Israeli branch represented by the Ports Authority, was recently held in Israel. The subject of the conference was supposed to be the future of railroad haulage in Israel. The declared intention was to discuss trends and directions of development which will characterize railroad haulage in the future and their effect on the overall transport system in Israel.

The conference, which was well-attended and properly organized, slid immediately upon opening into the problems of the heavy traffic on the roads, which made it difficult for the participants - each in his own car, of course - to arrive at the conference on time.

It was only natural to discuss a subject which touches each and every one of us - and no one seemed to have the time for a discussion of the main topic: the future of railroad haulage in Israel. Instead of discussing this important subject, which is one of the elements in the infrastructure of regional and organic development, a subject which requires long-term planning and allocation of resources - precious time was devoted to a marginal matter. It should be noted that of the approximately 200 registered for the conference there was only one representative of the Treasury - and he did not appear.

One presentation was given by the secretary of the International Rail-

road Association, a powerful organization at the beginning of the century, at the height of world railroad development, which today still plays an important role in coordination and cooperation, particularly in Europe. His remarks, backed by statistics, showed that in recent years there has been a trend towards railroad development world-wide, both in conveying passengers and carrying cargo, accompanied by massive monetary investment.

The main issue I wanted to put before the participants is the advantage of hauling cargoes by rail, in bulk or in containers, by means of proper exploitation of the technological and environmental advantages of the railroad. The special uniqueness of rail haulage is its capacity for movement of cargoes in large quantities without trans-shipment, and in conveying passengers from point to point without the nuisance of vehicular pressure.

THE MOST illustrative - and painful - example is the railway to Eilat, without which there is no future for the development of rail transport in Israel. It is precisely Israel's southern part, open to three continents, Africa, Asia, and Australia, which is cut off from the least expensive, most economical and dependable means of transport.

Economists in this case take the narrow view, with none of the vision which is a pre-condition for development. Saying that economic viability must be proved in advance is a barren argument which simply delays the implementation of any national project - such as the infrastructure for the railway to Eilat, which is a lifeline for the entire south.

The basic question which needs to be addressed is: what will the level of cargoes be at a given point in time when a railroad to Eilat is in existence?

The existing highway cannot physically handle more than 1.5 million tons per year, not to mention the elements of expensive maintenance and traffic accidents. Instead of widening the road, the heavy trucks should be removed from it - and a track laid to Eilat for the cargoes transported on the highway today and for the many more which will be carried in the future, when there is a railroad.

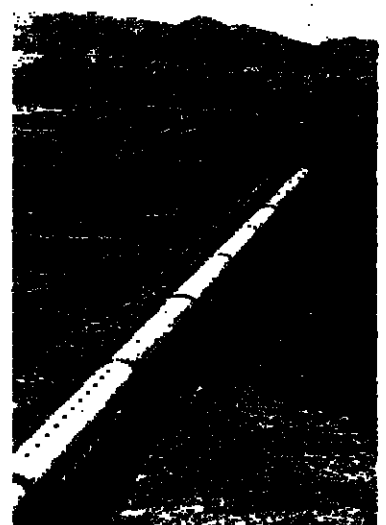
By comparison, one railway could carry 5 million tons per year. The transport, in the future, of a portion of the coal which is imported from Africa and Australia, could change all the current calculations. That is, the port of Eilat, which at present services only 1 million tons of cargo per year (of its 1.5 million ton max-

imum by road haulage) cannot make a profit. The port would become profitable if it were to handle 4 million tons of cargo per year.

It would be necessary to coordinate with all the authorities involved, such as the truck owners, who would need to plan instead for a short-haul service to and from the railroad. The correct comparison, therefore, is between the railroad and the highway, and not that made by the various investigating committees in the past, which calculated the cost of the trucks instead of the cost of building the highway.

The Eilat project itself would constitute a direct and important contribution to both growth and immigration, and the government should decide on it without delay as a top priority. The stagnation in the GNP has eroded savings and there is no money for investments, certainly not from internal sources. Foreign loans, which can be obtained without difficulty, should be used wisely for infrastructure.

Due to the stagnation in the economy, in the last decade the country has lost large numbers of residents and potential immigrants. Here, the direct relationship between growth and immigration is abundantly clear. The more growth in the economy and the more jobs available, the more employment will be created and this will keep both demobilized soldiers and new immigrants in Israel.



(Salomo Lavi)

All this is aside from the importance of the Eilat railway project from the point of view of regional and industrial development, and as a bridge from the Red Sea (Africa and Asia) to the Mediterranean Sea (Europe and the West), as an alternative to the Suez Canal.

The railway to Eilat would be the central southern axis bringing about regular rail traffic the length of the country, from Kiryat Shmona in the north through the centre, to Eilat in the south. A central rail axis such as this would be a most important artery and a basis for regularizing the traffic of both passengers and cargo.

The writer is chairman of the board of the National Coal Supply Corp. and a former general manager of Israel Railways.

The spirit conquers



CONCERT OF MUSIC composed by Viktor Ullmann in Theresienstadt. (Tzavta, Tel Aviv, April 25.) Presented by the Group for New Music, David Bloch, director, in co-operation with the Tel Aviv Foundation for Literature and Art, the Goethe Institute, the Austrian Embassy, the Theresienstadt Martyrs Remembrance Association/Kibbutz Givat Haim Road, and Tzavta.

Despite the cruel conditions in Theresienstadt, "the town of the Fuehrer presented to the Jews," the helpless people there created an art which turned the ghetto into a symbol of man's indestructible spirit.

Viktor Ullmann (1898-1944), one of the most active musicians in the ghetto, managed to pass on his manuscripts to a friend before being transported to Auschwitz, like so many other of Theresienstadt's inhabitants. These works have been preserved, and last Saturday night, several of them were performed at Tel Aviv's Tzavta, all but one for the first time in Israel.

An exponent of Viennese expressionism, Ullmann wrote complex, sophisticated music in Theresienstadt. The Third String Quartet - richest in feeling among the works presented - seems worthy of a place next to the outstanding examples of this century's compositions in the medium. Its expressive harmonic language emphasized the warm string sound, and the rich polyphonic texture, backed up by emotion, and tight formal logic bespoke unmistakably the hand of a master.

The rendition by the violinists Ora Shiran and Eliakim Saltzman, Miriam Hartman, viola, and cellist Marcel Bergman was at once brilliant and deeply moving - an admirable interpretive feat.

The two piano sonatas were far more austere. The angular rhythms and deceptive simplicity in the Sixth, the grotesque march and uncompromising logic of the Fugue in the Seventh were only partly offset by the episodes of rhapsodic improvisation or child-like naivete.

The presentations reflected the pianists' artistic personalities: the delicate elegance of Edith Kraus and the dramatic thrust - albeit occasionally at the expense of instrumental finesse - of Robert Kolben.

Emilie Berendsen, in top vocal form, offered moving renditions of three songs: the serene *Aberdun-tasie*, with its richly chromatic choral accompaniment; the restlessly dramatic *Immer imitten*, and the touching simple *Little Cakewalk* from "The French Children's Songs." Except for sounding somewhat heavy in the latter, David Bloch handled the piano parts with skill and aplomb.

The Yavne District Choir, conducted by Yael Wagner-Avital, presented with dedication Ullmann's arrangements of eight Yiddish and Hebrew folksongs. With this excellent, carefully prepared programme, David Bloch and his colleagues lit a bright memorial candle for the musician victims of the Holocaust. Would that their example set a new tradition.

ELI KAREV

Asthmatic

Tel Aviv String Quartet. (Jerusalem: Targ Music Centre, April 27.) Haydn: Quartet Op. 20 No. 4 in D major; Schumann: Quartet Op. 41 No. 3 in A major; Bartok: Quartet No. 1, Op. 7.

WHEN ONE sits at the Targ Centre and listens to instruments other than the piano, one is suddenly aware of how "live" the acoustics are in the

small hall. The instruments seem to leap off the stage in a frontal assault on the listener. This effect was heightened by a meagre attendance, hence fewer people to absorb the sound.

None of this impeded the members of the Tel Aviv String Quartet, however, who plunged lustily into each work on the bill and maintained throughout a higher-than-comfortable level of sound. This was especially true of the cello, whose line rang out with such brilliance so as to create startling imbalances within the ensemble. To this add an ongoing counterpoint of heavy breathing reaching nearly asthmatic proportions from one or more of the players, and one has prime ingredients for a disconcerting evening.

Fortunately, the quartet's fine artistry directed this listener's attention away from these distractions and riveted it on the music itself. The opening Haydn work was superbly delivered - crisp, exciting and full of the gracious warmth for which the Viennese master was known. The Schumann suffered from a few shaky moments regarding balance in duet passages and intonation, but on the whole a stylistically unified approach to the work was preserved.

The great joy of the evening, however, was the Bartok, in which every note was sharply etched, every phrase shaped with distinction and every dissonance in acute balance. This selection was not easy for either performer or listener, but when offered in such a thoughtful reading as this it provided a meaningful and rewarding experience.

DANIEL ZIFF

Enter the harpsichord

Halla Symphony Orchestra. Subscription Concert No. 10, Gilbert Varga (Germany) conducting, with Igor Kipnis (U.S.), harpsichord. Halla Auditorium, April 26. Choralists: Overture to the Opera *Medea*; Poulenc: "Concert Chantre" for Harpsichord and Orchestra; Schubert: Symphony No. 4 in C minor "Tragic".

As expected the main attraction of the evening was the "inauguration" by Igor Kipnis, of the orchestra's newly-acquired harpsichord. Before playing the Poulenc Concerto, Kipnis gave an instructive and light-hearted explanation on the instrument, made at Oxford, after a French Taskin 18th century model.

The Poulenc work charmingly combines classical clarity with satire and humour. It was a demanding challenge, with its melodic and rhythmic richness, for the orchestra. The balance was good for the most part.

Kipnis showed his technique, understanding and musicality in varied styles of playing.

He added two encores, first a Prokofiev Polka and then the familiar Bach C Major Prelude, charmingly performed without amplification.

Gilbert Varga led the orchestra with resourcefulness and ease, and gave a spirited reading of the lesser known Overture to the Opera *Medea* by Cherubini.

The Schubert, an early work, received a clear and elegant performance. In all, a varied, interesting concert, even though a lack of adequate preparation was evident at times.

ESTHER REUTER

Bank Leumi le-Israel b.m.

Condensed Consolidated Balance Sheet of the Bank and its Subsidiaries as at 31 December 1986

Adjusted for the effect of inflation* (NIS thousands)

ASSETS	1986	1985
Cash in hand and deposits with central banks	5,256,358	6,811,093
Deposits with banks	6,450,527	7,003,982
Debentures for investment	1,340,972	1,278,366
Shares for investment	196,500	176,279
Securities for trading	801,163	699,545
Loans to the Government (principally deposits with the Treasury)	7,870,650	9,391,992
Loans to the public	12,889,176	13,561,192
Bank premises and equipment	723,258	744,262
Other assets	202,357	126,388
	<u>35,730,961</u>	<u>39,793,099</u>

Condensed Consolidated Statement of Profit and Loss for the Year Ended 31 December 1986

Adjusted for the effect of inflation* (NIS thousands)

	1986	1985
Operating profit before taxation	107,118	223,217
Provision for taxation on operating profit	86,220	99,799
Operating profit after taxation	20,898	133,418
Group's equity in profits (losses) net, of subsidiaries and affiliates	(6,282)	(32,070)
	<u>14,616</u>	<u>101,348</u>
Outside shareholders' interest	(10,197)	(2,041)
Net profit for the year	<u>4,419</u>	<u>99,307</u>

*On the basis of the Consumer Price Index for December 1986.

Condensed Consolidated Statement of Changes in Shareholders' Equity for the Year Ended 31 December 1986

Adjusted for the effect of inflation* (NIS thousands)

	1986	1985
Shareholders' equity at beginning of year	1,323,345	1,271,820
Net profit for the year	4,419	99,307
Adjustments from the translation of the financial statements of autonomous foreign subsidiaries	(39,189)	(45,242)
Interest on liabilities included in shareholders' equity	(1,649)	(2,558)
Shareholders' equity at end of year	<u>1,286,926</u>	<u>1,323,345</u>

Principal Subsidiaries Included in the Consolidation

Commercial Banks in Israel
Union Bank of Israel (25 branches)
Arab-Israel Bank (30 branches)
Alpe-Leumi Bank (11 branches)

Commercial Banks abroad
Bank Leumi Trust Company of New York (24 branches)
Bank Leumi (UK) plc (7 branches)
Bank Leumi (France) S.A. (5 branches)
Bank Leumi Le-Israel (Switzerland) (3 branches)
Bank Leumi Le-Israel (Canada) (3 branches)
Leumi Le-Israel (Latin America), Casa Bancaria (Uruguay) (2 branches)

Investment
Bank Leumi Investment Company

Companies for Long Term Financing in Israel
Leumi Mortgage Bank
Leumi Industrial Development Bank
Leumi Agricultural Development Bank
Leumi Finance Company
Leumi Leasing Industrial Equipment
Leumi Nahal (Investment Company Properties 82)

Financial and other Activities
Merchant Bank
Leumi and Co. Investment Bankers

Condensed Statements as at 31 December 1986 of Four Main Overseas Banking Subsidiaries

Bank Leumi Trust Company of New York
24 Branches
(US\$ Thousands)
Total assets
Net profit

Bank Leumi (UK) plc
7 Branches
(£ Thousands)
Total assets
Net profit

Bank Leumi le-Israel (France) S.A.
5 Branches
(FFr Thousands)
Total assets
Net profit

Bank Leumi le-Israel (Switzerland)
3 Branches
(Sfr Thousands)
Total assets
Net profit

The Bank Leumi Group consists of 416 branches and offices of which 70 are located overseas.

bank leumi בנק לאומי



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MARKET PLACE

AVI TEMKIN

An offer you could refuse

Last week the Treasury and the Bank of Israel bowed to economic reality and increased the foreign currency allowance for travellers abroad from \$800 to \$2,000. In addition, Israelis will be allowed to take the entire sum in cash, if they want to and they will be allowed to hold such sums at home, also in cash.

The bank and the Treasury introduced other changes in foreign currency regulations, but it was the easing of travel allowance restrictions that caught politicians' eyes. Some of them attacked it, calling it "election economics." Fortunately, politicians are now busy discussing the peace process, a much more productive endeavour, and have little time left to discuss matters they do not understand, like the effects of the foreign currency regulations.

The simple fact is that the price of one dollar on the black market is about NIS 1.6. Travellers purchasing their dollars at the commercial banks, in accordance with the law, pay some NIS 1.87. One is hard pressed to see what kind of "gift" the government is offering the public by allowing them to buy more expensive dollars than they can easily get at the black market. Israelis will continue to do what they've been doing all along before setting out for a trip abroad: put the dog in a kennel, confirm their reservations and buy their dollars on the black market, exchanging only a symbolic sum through official channels, that is from commercial banks.

But what should really puzzle any objective observer is the reason for the Bank of Israel and the Treasury's reluctance in adopting some other logical steps, in the wake of the latest changes. Take for example the fact that Israelis are now entitled to hold \$2,000 in cash. Given the present regulations, they can hold this sum in cash or traveller's cheques, but they are forced to hold it at home, business or some other secure place. Oddly enough, they aren't permitted to put this money where it should be - in a foreign currency account, from which they can withdraw and/or deposit foreign currency as they please.

Given the yields investors can get from shekel assets, and the recent volatility of foreign currencies, it's doubtful whether the public would put large sums in such accounts. Nevertheless, some people, for a host of good reasons, want or need foreign currency on a regular basis. It would be much more convenient to hold the money at the bank.

It's been argued that such deposits would disturb the Bank of Israel's efforts to impose monetary restraint. The money deposited would be available for the commercial banks to expand their lending. But, if the government aims to prevent this, it used only set liquidity requirements at a very high level. If it wants to have these deposits financing longer-term credits it can offer on them some interest rate, which would provide further resources for investment.

The point is that the central bank and the Treasury can apply whatever measures to prevent a monetary flood or any other potential damage. In the current situation, when foreign currency is held in safes or under mattresses, the economy is losing the opportunity to put these funds to use, instead of taking loans from abroad.

Another of the arguments used in the past against foreign currency accounts is that there would be no way of being sure depositors had no more than \$2,000 in the bank, because anyone can open several accounts in several banks. This is true. There could be people holding large sums of foreign currency in the special accounts, exactly as there are now persons holding large sums of foreign currency in safes, without this bothering anybody at the Bank of Israel or the Treasury. The question is whether the public is allowed, officially or unofficially, to hold foreign currency. Once this question gets a positive answer, there is little point in setting limits on how or where the money should be held.

Once all the arguments have been answered, nothing is left but the suspicion that those opposing foreign currency accounts simply dislike them because they are a logical and simple idea that would make life easier. The problem, it seems, is that those who attacked the changes in foreign currency and those who oppose foreign currency deposits have a deep and strong animosity to anything that won't cause hardships and difficulties. For them everything else is "populism" or "election economics."

Leumi net plunges 95%

By PINHAS LANDAU
Post Finance Reporter

TEL AVIV. - Bank Leumi yesterday reported a net profit of NIS 4.4 million for 1986, a 95 per cent fall from the 1985 equivalent of NIS 99.3m.

The bank attributed the poor results to those cited by other banks in their 1986 statements. These included lower profit margins, frozen commissions, high national and local tax rates, and the distortions induced by government intervention.

The gross pre-tax profit of the Leumi group fell 52 per cent to NIS 107.1m., but an extraordinary doubling of the relative tax burden, from 40 per cent of gross profits to 80 per cent in 1986, left an after-tax operating profit of NIS 20.9m. After deducting the losses from subsidiaries and the share of minority shareholders, this was reduced to a net profit of NIS 4.4m.

Bino unveils incentive plan for employees

Post Finance Reporter
TEL AVIV. - Bank Leumi chief executive officer Zedek Bino yesterday announced a new incentive programme for Leumi staffers under which they stand to receive bonuses of up to 15 per cent of their gross salaries if the bank reaches performance targets set by the board for 1987.

Bino slammed reports in the media that there was unrest among Leumi senior executives following his appointment. Challenging his critics

The difference in tax rates was partially due to the fact that Leumi saved NIS 70m. in taxes due in 1985 through carrying forward losses, while in 1986 taxes were paid on several items not related to ongoing operations. As a result of this second feature, an even more remarkable result was recorded in the figures for Leumi itself. The bank's gross profits slumped 89 per cent to NIS 14.2m., but taxes totalled 2½ times gross profits, at NIS 36.7m., so that after-tax operating figures showed a loss of NIS 22.5m. This was reversed by NIS 27.9m. of profits from subsidiaries, including banks in the Leumi group, notably Union Bank, that reported strong profits for 1986.

Non-banking subsidiaries gave a net negative result, although this only amounted to NIS 6.3m. in 1986, down from NIS 32m. in the previous year. According to Leumi Chief Executive Zedek Bino, the main contributor to this loss was Leumi Invest-

ments, a company which has now been almost completely wound up, and its holdings sold or liquidated.

The group's balance sheet fell 10.2 per cent, as a result of the 66 per cent foreign currency component, mainly in U.S. dollars. These sums were eroded in inflation-adjusted shekels, because of the frozen exchange rate that prevailed during 1986.

The same factor gave rise to the need to revalue investments overseas made in foreign currencies, and this item caused a NIS 39m. reduction in Leumi's capital means, which far outweighed the addition to capital from the net profits. Overall, therefore, shareholder's equity slipped 2.7 per cent to NIS 1.287 billion.

Currency factors were also behind the 8 per cent fall in deposits from the public, to NIS 23.6b., and the 5 per cent decline in loans to the public, to NIS 12.9b. - the latter despite the sharp growth in unlinked shekel loans.

to come into the open and shed their anonymity, he said that in practice, in the period since his appointment in February, two divisional managers had resigned, but beyond that nothing had happened.

However, he noted that the fact that the previous board and CEO at Leumi had been forced to resign showed that something had clearly gone wrong. The idea that senior managers should be appointed merely on the basis of long tenure was wrong, he added.

At the press conference at Beit Sokolov yesterday, Bino also stated that Leumi was engaged in comprehensive review of its overseas network of branches and subsidiaries. This would be completed within six months.

Both Bino and Leumi Chairman Meir Heth stressed that the bank would sell off real estate and other assets, including non-financial subsidiaries, as a means of increasing the bank's free financial capital. This is at present negligible, Bino said.

COMPANY RESULTS

Rogovin Enterprises Ltd.

Year	1986	1985
Revenue	NIS 34.49m.	35.97m.
Net income	(3.52m.)	1.18m.
Per share	(10.48)	0.49

Israel Petrochemical Enterprises Ltd.

Year	1986	1985
Revenue	NIS 3.9m.	11.85m.
Net income	2.68m.	(4.4m.)
Per share	0.36	(0.594)

Tal Ltd.

Year	1986	1985
Revenue	NIS 37.43m.	38.55m.
Net income	8.53m.	(1.12m.)
Per share	0.15	(18.50)

Mehadrin Ltd.

Year	1986	1985
Revenue	NIS 7.84m.	8.48m.
Net income	1.84m.	1.59m.

Pril Ltd.

Year	1986	1985
Revenue	NIS 3.9m.	3.05m.
Net income	988.00m.	669.00m.

Israel Can Co.

Year	1986	1985
Revenue	NIS 113m.	88m.
Net income	3.8m.	(10.6m.)

Faustmeyer Industries Ltd.

Year	1986	1985
Revenue	NIS 34.03m.	22.48m.
Net income	763.00m.	1.14m.



(Continued from Page 2)

defence would make the trip. The Jerusalem Post asked defence lawyer Mark O'Connor whether his client would go with the court, since in theory an accused should be allowed to face all witnesses in his case.

"I don't believe there is a precedent for this, and I have serious doubts whether the Germans would allow John into their country," O'Connor said.

It is not clear how the projected trip will affect the court's summer recess. O'Connor yesterday continued his cross-examination of West German photo-identification expert Reinhard Altmann.

He set out to undermine the credibility of Altmann's entire method, particularly the part involving electronic photo-mixing. Altmann said: "Actually, the photo-montage part of our procedure is entirely secondary; it only helps us to demonstrate our findings in court. The main thing is the visual interpretation of the photos."

When O'Connor was overruled by Levin on an objection he had made to a prosecution statement, he responded: "I take exception with the court."

This provoked Levin to tell O'Connor: "After the end of the trial you can make your complaints. You are not facing a jury now, and I demand an apology. Remember that you are in an Israeli court, especially since you have indicated that you may want to open an office here."

O'Connor: "I apologize." The defence lawyer's next question was whether Altmann could lift latent fingerprints from the Trawniki ID card. He received a lengthy reply that this depended on the number of people who had handled the card, on the quality of the paper and on sweat secretion. "My prints would be on the card now, too," Altmann said.

The card had been briefly shown to Altmann by Chief Superintendent Amnon Bezalet in Wiesbaden in February.

O'Connor cross-examined Altmann at length on how he had arrived at the seven ratings he gives to his findings. The photo on the Trawniki ID card rated a "very high likelihood" of being genuine - No. 5 on Altmann's scale.

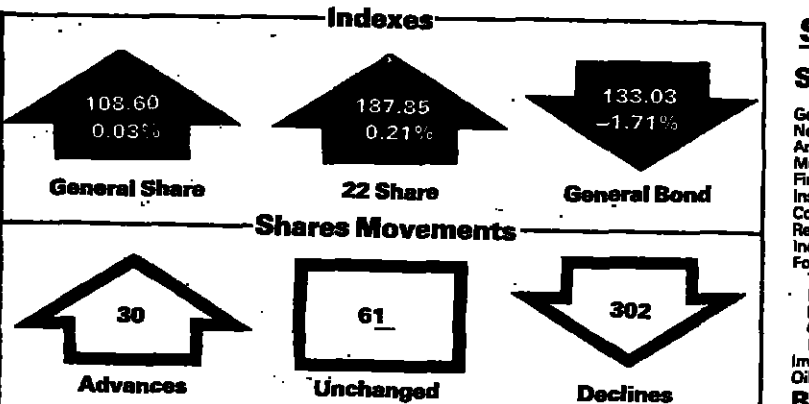
Altmann explained that in arriving at his rating he had based himself on the 24 morphological points he had identified on the Trawniki photo.

O'Connor proceeded to ask Altmann about what he called "striking discrepancies" in some of his findings. "Does not the angle at which all seven of the photos you used for comparison were shot vary slightly in each case? And is it not true, therefore, that there is no real basis for your method?" he asked.

Altmann admitted that apart from passport photos, few pictures are full front views and that lighting conditions in particular also cause deviations.

Today's witness for the prosecution will be Hebrew University professor Patricia Smith.

Tel Aviv Stock Exchange



Statistics

Stock Indices	1986	1985
General (excl. argmt.)	170.23	-3.32%
Non-argmt. Banks	180.47	-0.84%
Argmt. Banks	109.40	+0.05%
Mortgage Banks	148.80	-2.84%
Insurance	118.85	-1.35%
Commerce & Services	175.40	-3.06%
Real Estate & Agric.	162.84	-3.79%
Industries	167.48	-3.57%
Food & Tobacco	148.15	-4.83%
Textiles	165.18	-4.00%
Electronics	184.04	-3.33%
Chemicals	173.75	-3.16%
Industrial Invest.	191.10	-4.86%
Investment Cos.	186.67	-3.37%
Oil Exploration	185.14	-1.95%

Bond Indices

Bond Indices	1986	1985
Index-United Bonds	108.32	+0.09%
Fully linked	108.18	+0.11%
Partially linked	107.08	+0.07%
Foreign Currency	109.88	-0.31%
FC denominated	111.90	-0.31%
FC linked	106.73	-0.31%
Fall to 2 yrs	107.48	+0.07%
Short-medium 2-5 yrs	109.82	+0.10%
Medium-long 5-7 yrs	109.82	+0.10%
Long 7+ yrs	111.42	+0.47%

Share Movements

Share Movements	1986	1985
Advances	30	(252)
Unchanged	61	(51)
Declines	302	(2)

Bond Market Trends

Bond Market Trends	1986	1985
Index-linked	108.32	+0.09%
3% fully linked	108.18	+0.11%
4.25% fully linked	107.08	+0.07%
80% linked	109.88	-0.31%
Double linked:		
Admion	111.90	-0.31%
Fall to 2 yrs	106.73	-0.31%
Fall to 1 yr	107.48	+0.07%
FC denominated	109.82	+0.10%
T-bills	25.35-25.5%	

Arrangement Yields

Arrangement Yields	1986	1985
IDB Dev. 1	16.81	
Union 0.1	15.47%	
Discount A	16.89%	
Mizrahi A	16.79%	
Hapoalim R.	16.51%	
General A	16.50%	
Leumi Stock	16.36%	

Oil Exploration

Oil Exploration	1986	1985
J.O.E.L.	857	30434

22 Shares

22 Shares	1986	1985
First International	10360	10360
Haasnah 1	472	42750
Supersol A	16916	830
Supersol B	14880	1440
Dalek 1	7102	3080
Prog. & Bldg.	4826	1080
MDR 1	107134	135
Igrop	5863	630
Cell RE	958	15200
Hadarim	2124	1200
Elite	22546	470
Agan 1	5778	1330
Urdan 0.1	13168	280
Urdan 0.5	12204	40
Tava 1	25316	186
Central Trade	15200	1280
Elam	16981	276
Support Invest	8275	900
Elam	15668	50
Cal I.O.	1727	17800
Fin Inv.	4136	830
Fin. Oil Expl.	45111	110

Real Estate, Building and Agriculture

Real Estate, Building and Agriculture	1986	1985
Asotim	1483	14837
Silon	117	11436
Africa Tel. 0.1	58700	619
Darbiner	7500	274
Reyade 0.1	6256	1915
Rasico 1	5270	118
Mehadrin	7200	2744

Industrials

Industrials	1986	1985
Dubai b	6600	880
Pr-Za 1	18200	332
Shufot	805	8286
Argam 1	20000	568

Abbreviations:

Abbreviations:	1986	1985
s.e. suffix only	b	h
b.o. buyers only	b	h

Israel Money Markets

Shekel Deposits (annual rates)

Bank	Deposit	1 day	7 days	14 days	30 days
Leumi (Apr. 23)	500-999	11.25	21.75	21.50	21.75
	1,000-4,999	22.75	22.75	22.50	22.75
	5,000+	23.25	23.25	22	23.25
Hapoalim (Mar. 27)	Up to 999	21.00	21.00	21.50	21.50
	1,000-4,999	23.50	23.50	23.50	23.50
	5,000+	24.00	24.00	24.00	24.00
Discount (Apr. 30)	40-999	18.00	18.00	18.50	18.00
	1,000-4,999	17.50	17.50	18.50	20.00
	5,000+	17.50	17.50	18.50	20.00
Mizrahi	40-1,000	—	—	—	—
	1,001-2,500	—	—	—	—
	2,501-5,000	—	—	—	—
	5,001-10,000	—	—	—	—
First Intl (April 8)	50-999	17.00	15.10	14.10	15.00
	1,000-4,999	22.20	21.80	22.20	21.00
	5,000-9,999	23.00	22.40	22.20	21.00
	10,000-49,999	24.00	22.50	22.20	21.00
	50,000+	25.00	24.00	24.00	23.00

Patah (foreign currency deposit rates)

Currency (incl. deposit)	3 MONTHS	6 MONTHS	12 MONTHS
U.S. dollar (\$100,000)	8.5	6.75	7.125
U.S. dollar (\$10,000)	8.0	7.75	7.75
Pound sterling (£100,000)	2.875	3.0	3.125
Deutsche mark (DM 200,000)	—	—	—
Swiss franc (SF 200,000)	—	—	—
Yen (¥ 1 million)	—	—	—

SOURCE: BANK LEUMI. Rates vary according to size of deposit.

Shekel Foreign Exchange Rates (April 29)

Currency	Rate	Rate	Rate
Currency basket	1.8850	1.8870	1.8870
U.S. dollar	1.8850	1.8870	1.8870
Deutsche mark	0.8761	0.8881	0.8881
Pound sterling	2.8455	2.8455	2.8455
French franc	0.2335	0.2368	0.2368
Japanese yen (100)	1.1242	1.1283	1.1283
Dutch florin	0.1678	0.1718	0.1718
Swiss franc	1.0720	1.0854	1.0854
Swedish krona	0.2515	0.2547	0.2547
Norwegian krone	0.2554	0.2586	0.2586
Denmark krone	0.2332	0.2362	0.2362
Finnish mark	0.3407	0.3452	0.3452
ECU	0.7700	0.7718	0.7718
Australian dollar	1.1183	1.1223	1.1223
S. African rand	0.7902	0.8002	0.8002
Belgian franc (10)	0.4258	0.4308	0.4308
Austrian schilling	1.2500	1.2556	1.2556
Italian lire (1000)	1.2291	1.2445	1.2445
Jordanian dinar	—	—	—
Egyptian pound	—	—	—
ECU	1.8258	1.8485	1.8485
Israeli sheqel	2.2480	2.2774	2.2774
Spanish peseta (100)	1.2558	1.2717	1.2717

SOURCE: BANK LEUMI.

Foreign Markets

EUROPEAN FINANCIAL MARKETS

Precious Metals

Gold	London	am. fix.	451.75	Sterling	1 month	3 month	6 month	12 month
Paris	noon fix.	448.62	S. franc	374	374	374	374	374
Zurich	pm. fix.	448.75	D-marks	374	374	374	374	374
London	pm.	451.75	Yen	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4

SOURCE: MARINE MIDLAND BANK

Foreign Currency Crossrates (London 15:30 GMT)

Forward rates	Spot	3 months	6 months	12 months
Pound sterling	1.8850	1.8870	1.8870	1.8870
Deutsche mark	1.79450	1.84138	1.88288	1

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On Peres

THE nation is in the throes of a high political drama. Perhaps Israelis are too close to it, or have become too cynical, to appreciate it fully.

For weeks now Mr. Peres has been insisting that peace talks with Jordan and Palestinian representatives are a real possibility. After his return from Rome a fortnight ago, where he had long meetings with Soviet diplomats, he went further. The egg, he said, has been hatched.

He was referring to a process of direct negotiations, carrying the endorsement of Jordan, Egypt, the U.S., the Soviet Union, the European Community and China, which would be conducted within the frame of what is termed an international - meaning UN linked - conference.

To the right and to the left of him, Mr. Peres has encountered only scepticism and opposition. The Likud, fearing any change in the status quo on the West Bank, has cried "catastrophe." And the left, repudiating the notion that talks can be held without the PLO, has cried "fantasy."

But Mr. Peres has not been deterred. Even the conference of the Palestine National Congress in Algiers which strengthened Arafat, thus bolstering Mr. Peres's left and right critics, did not cause him to wince. On the contrary, it brought Jordan closer to the conference table, he asserted.

Since he has held his cards close - for fear of wrecking the intricate diplomacy at play by premature publicity - it must be assumed that Mr. Peres is powered with assurances and agreements that his critics don't know.

Nevertheless, he has launched a game for the highest stakes, both personal and political. Putting the many diplomatic pieces together with all the players, for an international conference that yet meets Israel's demand for direct negotiations with its neighbours is a forbiddingly complex and fragile task. And yet Mr. Peres has put his prestige and credibility on the line, in what must be considered a breathtaking act of personal political commitment. So breathtaking, that if his prognosis should prove false, it is difficult to see how he could recover.

At the same time, he has maneuvered his party, the government, and the nation as a whole to a point from which all recoiled for twenty years - namely to engage in a referendum, which no doubt will mean elections, over Israel's relationship to the territories. Are we prepared to negotiate for a new future that would involve a trade off between peace and compromise, or do we prefer the status quo involving a trade off between control of the land and continued state of belligerency?

Even that point does not yet involve territorial choices. It means only a willingness or unwillingness to enter a process that could lead to them. But that in itself is a fundamental choice which the nation has avoided. Parties and factions have tried to preempt the decisions by such devices as settlement and opposition to settlement. But basic choices remain open.

If Mr. Peres succeeds in moving the country to this point he will be putting not only his personal political fate, but also that of his party, on the line. The citizenry in its wisdom will be summoned to define the very nature of the future of the state.

It is not often given to political leaders to steer party and nation to such critical crossroads. And when they do, as in the case of Mr. Ben-Gurion in 1948 and Mr. Begin after Camp David, they prefer to have the choice made by elected representatives of the people, rather than by the people themselves.

Mr. Peres has elected to take the issue, if he must, to the people, with all the risks. It is, put plainly, a heroic politics.

CLINICS

(Continued from Page One)

"violation" of wage agreements, the hiring of private contractors for certain services and the sale of Kupat Holim property to private interests. The workers are particularly crucial of health fund director Haim Dorn's management.

But the health fund spokesman dismissed the claims as "all nonsense and baseless." He said that management had asked to explain its moves

and policies to the works committee but it had received no answer. Clinics will be closed throughout the country, with the exception of Haifa and the Galilee, where a doctor, nurse, pharmacist and administrative worker will staff each clinic. In the rest of the country, the health fund hospitals will operate on a Shabbat schedule, but the clinics - with their pharmacies, x-ray units and laboratories - will be closed.

HIZBULLAH

(Continued from Page One)

Daoud said in a statement to the Lebanese press.

The accusations against Unifil were made earlier this week by Sheikh Hassan Nasrallah, reportedly Hizbullah's number two man in Beirut. Nasrallah spoke at a memorial service for Islamic fighters killed in the abortive attack against South Lebanese Army positions in the security zone nearly two weeks ago. The ceremony in the village of Shakhieh, north of Nabatieh, was attended by Islamic fundamentalists and dozens of representatives from the Iranian Embassy in Beirut.

Nasrallah charged that, following the assault near the village of Kanatara, Finnish Unifil troops had blocked the roads used by the Hizbullah fighters, enabling IDF troops to hunt down and kill the fleeing gunmen. He maintained that 30 Hizbullah men were killed in the operation.

He also accused Unifil troops of passing information to the Israelis about the raid.

The Hizbullah's condemnation of Unifil and, conversely, Amal's defence of the peacekeeping force, comes against a background of growing animosity between the two Shi'ite organizations.

Amal, despite claims to have the support of the majority of South Lebanon's predominantly Shi'ite population, has recently appeared to be losing its grip on the region and is anxious to reassert control.

The organization is concerned about the threat of reprisals unless it can curb Hizbullah and PLO terror attacks on targets inside the security zone and in Israel itself. It also fears a resurgence of Palestinian power in the region of Tyre, despite the presence of Syrian troops further north.

Given all these factors, observers in South Lebanon believe it is only a matter of time before there is a confrontation in the region between the Hizbullah and Amal, even though the latter is loath to start an inter-Shi'ite feud. An attempt by Hizbullah to attack Unifil positions could, in such circumstances, provide the flashpoint, the sources noted.

A chance not to be missed

Wolf Blitzer/Washington

WE MAY BE witnessing yet another missed opportunity for moving toward Arab-Israeli peace. Historically, there have been a series of such missed opportunities over the years. But this one seems especially tragic because a more favourable overall climate toward Israel certainly appears to exist in much of the region.

In various parts of the Arab world - well beyond Egypt - there is a grudging acceptance that Israel has become a fact of life in the Middle East. It is no longer considered out of the question for moderate Arabs to seriously consider entering into peace agreements with Israel.

Arabs have come to respect Israel's military strength. They also have come to view the U.S. connection to Israel as incredibly solid - one that will not be broken by the Arabs and their supporters.

Some Arab extremists, of course, continue to hold out for a vision of the Middle East with no Israel. But they are now seen as a distinct minority. One State Department official the other day expressed his personal sadness that this change of heart in much of the Arab world has not really been understood and diplomatically exploited by Israel to move the peace process forward.

King Hassan II of Morocco openly welcomed then prime minister Shimon Peres to his country last year. More Israeli-Moroccan discussions are now expected, especially following Hassan's decision to sever ties with the PLO.

There is now also a very real prospect of discreet discussions between Israeli and Tunisian officials. The director-general of the Israeli Foreign Ministry, Avraham Tamir, was indeed recently due to meet with the Tunisian ambassador at the United Nations until word of that session leaked out. Eventually, an Israeli-Tunisian dialogue will develop, particularly as the PLO relocates its headquarters to Algiers.

Iraq's position, while not moderate, has softened considerably in recent years, particularly as it has sought to stave off Iranian military advances. Even Saudi Arabia - through billionaire Adnan Khashoggi and a few other special envoys - has informed Israel of its readiness to coexist. Khashoggi is even credited with having set up a secret meeting between Shimon Peres and Saudi

Defence Minister Prince Sultan.

The silent majority of Palestinians living under Israeli military occupation on the West Bank and Gaza Strip have long recognized the futility of trying to eradicate the Zionist presence from Palestine. While they may not like Israel very much, they have now had a 20-year history of dealing with Israel on a day-to-day basis. They thus have come to know Israel quite well.

They would no doubt welcome a decision by the PLO to accept the minimal conditions necessary for U.S., and perhaps even Israeli, recognition - namely the acceptance of UN Security Council Resolution 242. The PLO would then presumably be in a position to sit down at the bargaining table.

But again, the PLO has opted for short-term unity among its various factions rather than the political courage and wisdom necessary to genuinely help the Palestinians themselves.

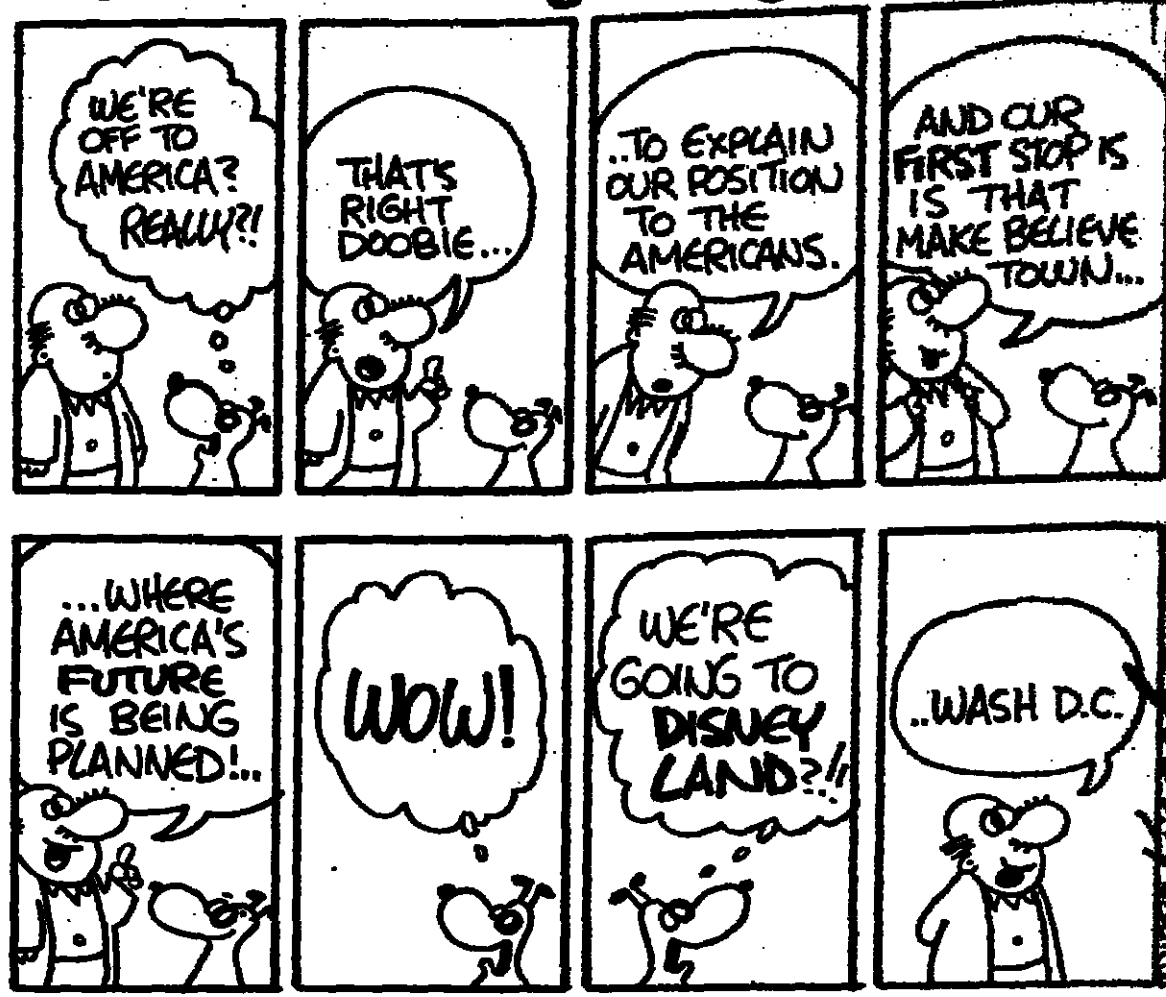
For its part, the Soviet Union has embarked on an apparent course of improving relations with Israel, albeit slowly and cautiously. And Moscow is known to have lately leaned on Syria - its most important strategic asset in the region - to support an international peace conference where all the issues could be negotiated. President Hafez Assad has in fact made some encouraging signals in recent weeks, according to U.S. and Jordanian officials.

IN JORDAN, top government officials speak candidly and openly of their desire to reach some sort of peaceful settlement with Israel. They have a very pragmatic awareness of Israel's strength and permanence. They are not living under any illusions.

During a recent six-day visit to Jordan, for instance, I was impressed by the seriousness of their drive to get direct peace negotiations with Israel off the ground at an international conference, which would consist of the five permanent members of the UN Security Council and Jordan, Israel, Egypt, Syria, Lebanon and representative Palestinians. The Jordanians very badly want an international conference to be convened this year, before next year's U.S. presidential and congressional elections.

The Jordanians insist that the mo-

The Friday Dry Bones



ment has never been better for direct Arab-Israeli peace talks, despite the latest decisions taken by the PLO in Algiers. They are prepared to swallow those PLO decisions and not make a major fuss over them, provided that an international meeting can get off the ground. PLO Chairman Yasser Arafat, the Jordanians insist, can still be brought into line.

That may be an overly optimistic opinion. But by advocating that position, the Jordanians are challenging Israel to test the waters for peace. "Let's not miss this opportunity," a Jordanian official said.

Top State Department and White House officials in Washington agree that the differences separating Jordan from Foreign Minister Peres are not very great, especially on the sticky matter of coming up with an acceptable formula for an international conference. But the Americans fear that Prime Minister Yitzhak Shamir is not about to change his position by supporting an international gathering.

As a result, U.S. officials still remain gloomy about the overall chances for advancing the peace process right now. Domestic Israeli politics are seen as likely to preclude any real negotiations. Peres, they know, represents only 50 percent of the government. "Yitzhak Shamir is prime minister," an American official said.

U.S. officials are convinced that Shamir's strong opposition to an international conference is largely designed to mask the Likud's absolute rejection of the very notion of territorial compromise on the West Bank. Thus, Washington is bracing for a political storm in Jerusalem over this issue - a crisis which could result in early national elections.

New elections in Israel, the Americans fear, might wind up with the same stalemated outcome as the current Knesset makeup - meaning more stagnation and indecision.

THE AMERICANS suspect that the long-awaited results of the Knesset investigation into the Jonathan Jay Pollard spy scandal - even in advance of the separate Rotensreich-Tsur inquiry into the affair - could topple the government, bringing down Shamir, Peres, Defence Minister Yitzhak Rabin and perhaps even former defence minister Moshe Arens in the process. "All of this diplomatic jockeying may be moot," an American official said.

Secretary of State George Shultz, the prime U.S. mover in the area of the Middle East, has his own doubts about an international conference. But he and other U.S. officials are prepared to go along with the concept if it will quickly lead to direct

negotiations and if the plenary members of the conference will not be in a position to impede bilateral agreements reached between Israel and its various Arab neighbours.

According to U.S. officials, Shultz is very close to winning those kinds of commitments from the Arabs. More advance negotiations are required - a task left largely to the special U.S. Middle East envoy, Ambassador Wat Cluverius. He has been shuttling around the region now for months, inching the parties closer toward some sort of procedural breakthrough.

But all that preparation may be for naught. And the divisions within Israel will be seen in Washington as the major reason for any impasse.

The U.S. - like Peres and his Labour Party colleagues - wants to test the intentions of Arab moderates at the negotiating table. American officials believe that Shamir and his Likud associates fear what Jordan and other Arab countries might say and do. At stake, of course, is the future of the West Bank and Gaza Strip.

But the parties will probably not get that far. And another possible opportunity for resolving the Arab-Israeli conflict will have been missed.

The writer is The Jerusalem Post's Washington correspondent.

READERS' LETTERS

To the Editor of The Jerusalem Post Sir, - On the basis of my own experience as a convert to Judaism, I feel compelled to state my objections to some of the sentiments expressed by Simcha Bar-David in the article of April 21. "Sometimes for the good of all, we must cry 'forbidden'."

Firstly, her characterisation of a Reform conversion and what is involved in it will do little to help those who have converted through the Reform movement. It is a great many Reform converts choose this mode of conversion not, as is often claimed, because it is expedient, but because they have a genuine commitment to this particular form of Judaism. The fact that Simcha Bar-David started studying Judaism in his many forms only after she had already gone through a conversion ceremony should not be taken as meaning that other converts chose their manner of conversion so unadvisedly. My own decision to convert

REFORM CONVERSION

through the Reform Synagogues of Great Britain (the equivalent of American Conservative Judaism) was made after I had studied and experienced many forms of Jewish practice and in the knowledge that my conversion would not be accepted by the Orthodox Jewish establishment.

However, what I find most disturbing in Simcha Bar-David's article is her arrogant declaration (now that she has become a "proper" Jew) that all converts must, in order to keep Jews a separate and special people, follow her slavish devotion to Rabbi Peretz and his contempt for the rule of law. She underestimates the strength of Jewish identity and unity if she thinks a handwritten note from one of his followers will make or break them.

If Simcha Bar-David has found contentment in her form of Jewish belief, practice and identity, I am more than happy for her. What I

would like her to know, however, is that I and many people like me are perfectly contented with our particular beliefs, practices and identities and don't need, in addition to our existing condemnation by the Orthodox establishment, to be preached to by somebody who should know better.

BRANDON GOLDSMITH
Kibbutz Hazorea.

VINTAGE CARS

To the Editor of The Jerusalem Post Sir, - The 1938 "Jaguar," pictured in your issue of April 17, is actually a Morgan. The Jaguar Company wasn't formed until after World War II - a restructuring of the Standard Swallow Motorcycle Sidecar Company. Having a British firm abbreviated to S.S. was a bit unseemly after the war - therefore the change to Jaguar.

KENNETH PERSING
Carmiel.

DRUSE REPRESENTATIVE

To the Editor of The Jerusalem Post Sir, - I listened to MK Amal Nasser a-Din speak on the radio only a few hours after the barbaric bombing of a memorial in Majdal Shams. I was outraged that he could have had the audacity to give an opinion as to the identity of the perpetrators - "Syrian agents," according to him. How could he know when he was not present at the time of the explosion? Those of us who were present at the memorial ceremony noticed the

absence of MK a-Din at this historic occasion and wondered about it. Is he so afraid of losing his Knesset seat that he can show no real allegiance to us?

Though a-Din is not our elected representative, he should fight for us, campaign for our rights and help the Golan Druse. If he lacks the courage to do so, he should resign his seat in the Knesset.

SAMI F. AMIR
Pekiin.

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